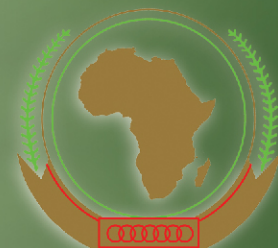


THE EUROPE & MEA HUMAWEALTH PROGRAM 2012

A JOINT PROPOSAL FOR A NEW ERA OF TRADE EFFICIENCY AND SUSTAINED ECONOMIC GROWTH



PREFACE

The world watches as powerful forces of change are sweeping across the Europe and MEA region. As nations attempt to recover from the global financial crisis, many find themselves engulfed in uncertainty and unrest. In Europe, the problem of mounting public debt, an aging population, and a scarce young labor force—heavy burdens hindering economic progress—have cast a pall upon economic projections, sending tremors through the developing economies in the south. In Africa and the Middle East, unemployment rates climb higher, poverty deepens, and the urgency grows. Today, the Europe and MEA region find themselves at a crossroads: They can stay on the current economic policy path and cling to the hope of somehow pulling themselves back from the brink, or they can combine efforts and connect their strengths to enter a new era of economic progress, stability, and prosperity. To trigger this new era the question remains: Where to start?

We must start with the common denominator that connects all nations: The global logistics industry. We should not underestimate logistics: its historic impact as the very heart of the global economy is indisputable. The advent of containerization almost sixty years ago fueled several decades of global economic growth throughout the world. Today, an efficient and secure logistics industry will trigger a new era of sustainable economic growth. How is this possible?

The engine of global economic development, world trade, combines the efforts of four primary industries: commerce, finance, insurance and logistics. Logistics is the linchpin that makes trade possible in the world. Nonetheless, it remains unnecessarily inefficient, antiquated, and costly. Maximizing the efficiency of the global logistics industry empowers all four industries and thus delivers the true 21st century Digital Economy and sustains global economic growth. The HumaWealth Program is a comprehensive global plan to deploy the Soft Infrastructure, or **SI**, that is the critical foundation for this new digital economy.

The HumaWealth Program will swiftly deploy the **SI** at no cost to end users via a trusted network of world-class finance, insurance, and technology (FIT) companies. These companies are motivated to participate by a new market opportunity projected to reach USD 6 trillion by 2020. Today, HumaWealth's FIT members have more than 2.7 million experts in 130 countries and serve approximately 60% of the global GDP. The

trusted network that will deploy the **SI** will be selected through a transparent, equal opportunity process. In addition, the Program's public sector members and supporters include more than 150 governments and 21 NGOs from around the world.

Due to the recent global economic crises, world leaders from the public and private sectors have urged expedited deployment of HumaWealth. At their behest, the Program will be deployed over 18 months, with extensive global coverage to be achieved 12 months thereafter. The League of Arab States (LAS), the African Union (AU) and the Global Coalition for Efficient Logistics (GCEL) have united to deploy HumaWealth in the Europe, Middle East and Africa regions, providing the tools to sustain economic growth.

The outcome of this initiative will assist these three organizations in achieving their economic and social development goals. The LAS facilitates political, economic, cultural, scientific and social programs designed to promote the interests of the Arab world. The AU aims to unlock the potential embedded in Africa's rich endowment of natural resources through a renewed commitment to trade integration and efficiency. Based in Switzerland, GCEL is a nonprofit public/private partnership whose mission is "Connecting the Strengths of the World Community, Creating Well-being Across Humanity."

The Europe & MEA HumaWealth Program aims to reduce the annual cost of trade by USD 356 billion across the region, and within a decade expand trade by USD 389 billion and support more than 40 million new jobs. Today's challenges demand far more than just setting goals, though. They also require the tools and the road map to make trade more efficient and thus connect economic strengths, expand trade, and sustain economic growth. All are necessary to advance the well-being of humanity.

The urgency of current economic conditions compels us to act now. The HumaWealth Program will deliver a tangible new economic solution to the Europe & MEA region. This program has the winning formula, the strategic partners, and the technology needed to achieve the desired results. In the 21st century, sustained economic growth will belong to those who harness the engine of innovation. This document explains how.

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EXECUTIVE SUMMARY

The Europe & MEA region is one of the grand regions of the world, an area rich in history and full of promise. One of the cradles of civilization, the Euro-Med is where Phoenicians began to trade more than 3,000 years ago. Today, this vast region is home to more than 750 million people, including some of the best-educated workers in the world and one of its largest pools of young workers.

The Europe & MEA region is at a critical juncture today. Persistent, immense trade imbalances resulting from past economic policies have contributed to huge losses for financial institutions and a tight credit market. This has prompted direct government intervention to restore economic balance, but these efforts have produced unsatisfactory results thus far. Now, many governments labor under an overhang of debt, prompting difficult measures to restore fiscal balance. Meanwhile, millions of workers in the MEA countries seek higher incomes that match their ambitions. All the above have contributed to the severity of the global crisis and have led to higher rates of unemployment. Nations must find a new, more sustainable economic equilibrium.

Governments all over the world acknowledge the huge potential for mutually beneficial cooperation across Northern and Southern Euro-Med countries to expand trade, unleash innovation, and sustain economic prosperity at the local, regional and international levels. However, many obstacles prevent the fulfillment of this objective and stand in the way of economic growth. Perhaps the most important obstacle is inadequate infrastructure. Infrastructure is an essential foundation for any economic advancement program. Yet investing in physical infrastructure is a costly and time-consuming process in the best of circumstances. In light of the debt overhang left over from the global crisis, high-income countries are forced to focus on putting their own financial houses in order rather than investing in low-income countries. All of these factors have contributed to the stalling out of planned economic development programs today, and this is nowhere more evident than in the economic problems afflicting the Europe & MEA region.

This problem must be overcome, but international experts disagree as to priorities. Some say there should first be investment in sufficient infrastructure to expand trade, while others insist on the exact

opposite—higher trade volume is the necessary prerequisite to justify the investment in infrastructure projects in the first place. A bold new solution to this dilemma is required. HumaWealth's **SI** is that solution. It will help to maximize the utilization and efficiency of existing infrastructure capacity. This same **SI** will also provide a self-monitored dashboard to ensure the transparency of related trade information and volume to public and private stakeholders. This represents an unprecedented tool to assist investors in both the private and public sectors to prioritize investments and maximize the returns on their respective investments.

At a time when the custodians of the world economy are eager to find a new way to rebalance the regional and global economies, the Europe & MEA HumaWealth Program has been recognized as providing the tools and road map necessary to expand trade and sustain economic growth. This program takes a very different path, one that represents a quantum leap in harnessing innovation. Deploying **SI** quickly and at no cost to end users maximizes the efficiency of trade, connects regional strengths and recovers lost opportunities. As a consequence, trade expands and supports new jobs, achieving the economic rebalancing required by the world.

EUROPE & MEA: CONNECTING STRENGTHS IN A CRISIS

The Europe and MEA region has recently experienced its worst recession since the Great Depression. Following the global financial crisis, developed economies remain under a huge cloud of debt; now the EU faces a huge economic rebalancing challenge and must reduce its sizable deficit in traded goods, which peaked at USD 322 billion in 2008. Such a deficit simply cannot be reduced via the current meager pace of economic growth and the costly, unsuccessful stimulatory measures and regulatory reforms initiated by governments. Europe needs a radical solution to accelerate the economic recovery process and establish the right foundations to spark new economic growth, address enormous fiscal deficits, and reduce its overhang of debt.

The key lies in bridging the gap between the developed countries of the North Mediterranean and the emerging and developing countries of the South

Mediterranean. The foundation for any recovery plan, or any sustainable economic program for that matter, should be the demographics of the region concerned. Developed countries in Europe suffer from low birth rates and high rates of aging. In contrast, the developing and emerging countries of the MEA region are youthful societies characterized by high birth rates and lower rates of aging. Developed countries have enormous buying power, but are burdened by excess industrial production capacity for which there are insufficient existing markets. The developing countries have the potential to serve as these desired markets. Although they represent huge market potential, developing countries are hampered by a lack of sufficient buying power today.

This economic paradox may seem to defy solution. However, by connecting the strengths of this region and thus recovering the lost opportunities inherent in huge trade imbalances, we can transform disadvantages into advantages. For example, the EU merchandise trade deficit with China has averaged approximately USD 205 billion over the past three years. To mitigate this problem, it is clear that the interests of the North Euro-Med region lie in building the buying power of

the South Med. Expanded exports to Europe from the South Med will strengthen the buying power of those countries, sparking a virtuous economic cycle between developed and developing countries. On another level, it is essential for emerging countries in the region such as Turkey and South Africa (China also has a significant role to play here) to help develop the production capacity in developing countries. Emerging nations have a strong stake in strengthening the buying power of developing countries. Such growth creates new markets and lessens the dependence of emerging nations on developed countries.

The accompanying illustration shows how regional strengths can be connected to spur new economic growth. Providing the tools and the roadmap to link the buying power of Europe with the huge development potential of the MEA region (Figure 1) is the basis of achieving economic balance at the regional and global levels. Such balance enables developed, emerging and developing economies to do what they do best in an optimally efficient manner, thereby generating economic growth, increasing the volume of trade and creating new job opportunities rather than engaging in futile and nonproductive competition within their existing markets.

Figure 1.



EMPOWERING THE DIGITAL ECONOMY THROUGH SOFT INFRASTRUCTURE (SI): SUSTAINING ECONOMIC GROWTH

Ironically, the Global Financial Crisis has presented an extraordinary opportunity to forge a new sustainable economic growth path for the Europe & MEA region. Everyone agrees this great region is at a turning point. They also agree that trade is the engine to lift the entire region to prosperity. But how to create these new opportunities and get the trade engine turning again—more efficiently than ever?

To make the global trade engine hum, we must enable the various economies of the region to harness the power of innovation. In doing so we will create trade efficiency, sustain new jobs, and power new economic growth in the Europe & MEA region and beyond. In this context, the HumaWealth Program will empower the digital economy by deploying **SI**. The main foundations of this Soft Infrastructure include the following:

The Technology. The Global Logistics System (GLS) is an open platform technology that has been tested and validated by prominent public and private organizations from around the world.

The Global Network. A worldwide network of trusted finance, insurance, and technology firms equally distributed among the four global regions. It will be selected through a transparent, equal opportunity process. These firms will serve as “Gateways” to deliver the GLS to businesses around the world.

The Rapid Global Deployment. Worldwide deployment will be accelerated through the participation of organizations from the public and private sectors, each doing what they do best. A unique business model will ensure the ongoing maintenance of the GLS, while providing it to end users free of cost. Four benchmark trade lanes (BTL) will trigger the deployment of GLS in the region and around the world within 18 months.

THE ECONOMIC GAINS FROM HUMAWEALTH

The HumaWealth Program represents a unique

opportunity that highlights the value of public-private cooperation, urging all parties to coordinate efforts and connect the strengths of the world. Such collaboration lays the foundation for a prosperous economy in the 21st century. HumaWealth will help the Europe and MEA region leverage its enormous human and natural resources and enter a new era of sustained prosperity. In so doing, the program will trigger a series of considerable economic benefits, including the following:

- **Reduce the cost of trade** in the Europe and MEA region from the current average of 11% to 6%, saving the region USD 356 billion a year and reducing average unit operating costs for businesses in the region by up to 15%.
- **Lay the foundation for increased trade** of up to USD 389 billion across the Europe and MEA region and provide the corresponding potential to support up to 18.5 million jobs—8.7 million in Europe and North Mediterranean countries and 9.8 million in the South Mediterranean countries.
- **Spawn new manufacturing plants and construction activity** to boost jobs and income, increase consumer demand and lift individual buying power.
- **Open a vast new global market** for the region’s finance, insurance, and technology industries, projected to reach USD 6 trillion by 2020. This will support up to 14.7 million high-paying service jobs throughout MEA and up to 7.4 million jobs in Europe.
- **Increase the competitiveness of millions of SMEs** throughout the region, connect them with global markets, and make them more bankable.
- **Create up to 35 million containers in new trade** crossing the Europe and MEA region while simultaneously maximizing throughput in existing trade infrastructure.
- **Provide the tools to achieve business excellence**, thus attracting investment funds from private sector funders. Such investments can be focused on new enterprise zones to help build competitive clusters in new industries. This will reduce dependence on funding from either public budgets or international donor organizations.

- **Provide an early warning system for cargo security** while lowering the cost of cargo security and customs compliance and speeding up customs clearance.
- **Increase capacity utilization** throughout the logistics pipeline—especially increasing throughput at ports and border crossings and providing clear indicators on which locations will attract investment from the public and private sectors, enabling the prioritization of investments for the highest returns.
- **Lower carbon footprint** by reducing multimodal freight congestion at high-volume ports, on highways, and other logistics chokepoints.

Deploying the **SI** will enable each country and the region to prosper by doing what they do best. The key lies in making the world's trade pipelines far more efficient than the ones now in use, which were developed in the 20th century. Achieving this efficiency depends on creating a digital trade platform that supplies the necessary tools and which enables the seamless sharing of information among the many players now involved in moving products around the world.

With the speed and efficiency of **SI**, products move along the world's trade pipelines far more efficiently. In the short run, buyers pay less for a product and get it on time. Sellers make the product for less, earn more, get paid faster, and become more competitive. Businesses that move the goods have more control over their operations and save time and money. Lenders know where their collateral is and can reduce the risks of lending. In the long run, the private sector can achieve business excellence and increase its production, expand trade, support more jobs, and sustain economic growth. Stronger economies in developed, developing and emerging countries become bigger trading partners with each other. Through **SI**, all trading partners in the Europe and MEA region will join in a common cause that benefits all.

This proposal describes the HumaWealth Program. It provides a thorough analysis of the status of the Europe and MEA region and explains how to empower the digital economy through Soft Infrastructure, or **SI**, to face 21st century challenges and spark sustained economic growth across the region.

Section I

Describes how to overcome economic challenges through **SI**.

Section II

Describes the necessary phases to build the digital economy in the region.

Section III

Describes how the HumaWealth partners will launch the program.

Section IV

Describes the principal benefits of the HumaWealth Program to the region.

Section V

Expresses the Europe and MEA declaration by the HumaWealth partners.

I. OVERCOMING ECONOMIC CHALLENGES THROUGH *SI*

Trade is the backbone of the global economy. Establishing the world's first global digital trade platform will improve the efficiency of the commerce, finance, insurance and logistics industries in simple yet profound ways. This will provide the basic and essential 21st century requirements for a dynamic digital economic future.

The primary focus should be resolving the obstacles facing the global logistics industry—issues which ultimately impede the global economy's development and recovery process. We will begin by examining the reasons behind current logistics inefficiencies, discuss how a few companies have achieved logistics efficiency through partial adoption of "Soft Infrastructure," and then show how global, comprehensive and efficient adoption of *SI* overcomes today's obstacles to trade efficiency.

Efficiency. Today's global logistics industry connects our world and makes trade possible despite inherent systemic inefficiency. Highly fragmented, the industry is comprised of a multitude of discrete companies, most with their own proprietary vertical information systems. These systems are not integrated. Consequently, information is not quickly and easily shared as a shipment passes through the trade pipeline. According to a recent Asia Pacific Economic Cooperation (APEC) study, the average international trade transaction involves redundancy and too much opportunity for error, resulting in inefficiency:

- 27-30 parties handle each shipment
- 40 documents are prepared along the way
- Typical documents contain 200 data elements, of which 30% are repeated approximately 30 times
- 60-70% of the data must be re-keyed at least once within a single trade pipeline

The above represent a few causes of the massive logistics inefficiency that leads to higher costs of moving products around the world. Put another way, landed import and export costs represent an average of 11% of global traded output, compared with the 6% associated with peak efficiency prior to 2001. On a macroeconomic level, these hidden costs create a very real barrier to economic development. Many economies in the region, especially in the Middle East and Africa, are plagued with avoidable bottlenecks

that preclude global investors from taking advantage of the region's market opportunities and relatively low labor costs. On a socioeconomic level, economic growth is therefore slower, incomes are lower, and unemployment is higher. For its part, inefficient logistics results in missed strategic opportunities for European countries to build the buying power of the South Mediterranean and MEA countries and to sell their high-value products to nearby nations.

Security. Global trade is extremely vulnerable to cargo terrorism, a problem that has been largely neglected. Efforts to address the issue since the 9/11 attacks have been meager in scope, often adding greater economic and logistical burdens without a commensurate improvement in security. Despite several attempts to address the issue, cargo security remains a serious issue. For instance, if just one bomb were found in a container, the associated supply chain will be shut down immediately, creating enormous economic disruption.

Capacity. Although the world's overall physical infrastructure has operated at lower levels during the recent recession, it is still woefully inadequate to support projected growth in world trade from the current USD 6 trillion per year to USD 14 trillion by 2020. Container traffic has tripled since 1996, yet Asia is the only region that has seen a commensurate increase in port capacity. Today, the very high debt levels faced by most countries worldwide threaten future infrastructure investment.

Soft Infrastructure, or *SI*, improves the efficiency of global logistics and therefore boosts trade in simple yet profound ways. Some elements of the envisioned Soft Infrastructure touch our lives virtually every day. For instance, we book airline flights on the Internet, often with just a few keystrokes on our laptops. We control our flight times, costs, and routes. In a matter of seconds, we print our own e-tickets, itineraries, and boarding passes.

A few companies within the global logistics industry have been successful in creating similarly effective and desired horizontal integration of information, yet the gains achieved do not extend to all firms and products. These companies have achieved logistics efficiency by focusing on the six critical elements of the horizontal shipment process: 1) integration, 2) e-documentation,

3) tracking and visibility, 4) competence, 5) processes, and 6) cargo security. By using a limited form of **SI** and integrating these elements, FedEx and UPS have achieved huge efficiency gains and billions of dollars in savings thereby becoming Fortune 100 companies. Similar efficiencies must now be made available to all companies in all corners of the world.

HOW TO OVERCOME ECONOMIC CHALLENGES

The HumaWealth Program takes a new approach to solving the problem of logistics inefficiency, an issue of critical importance to expanding global trade. Deploying **SI** provides a powerful new catalyst for sustained economic growth. HumaWealth is founded on the established principle that trade is the most powerful engine of economic progress. When logistics systems are efficient, trade expands, jobs increase, and incomes rise. In this spirit, HumaWealth has committed to implementing an innovative global program to deploy Soft Infrastructure throughout all corners of the world, triggering a paradigm shift in global trade and commerce that will usher in the true digital economy era.

We should not underestimate the importance of logistics efficiency or the impact of efficient global trade on our economies. To put this in perspective, consider the impact of containerization on the global economy. The implementation of this powerful innovation in the 1950s fueled decades of economic development worldwide, notably in the Europe and MEA region itself. Today's highly interdependent global economy and the growing integration of regional economies such as the Europe and MEA region necessitate an efficient, secure global system for logistics and trade. Such efficiency will fuel decades of economic growth required to overcome the current succession of economic crises.

According to the World Bank's Logistics Performance Index 2010, Germany and Singapore are the global standard bearers of logistics efficiency. Their achievements have been the result of successful integration of technology and physical infrastructure. Singapore, for instance, blazed the technology trail in logistics by investing heavily in the information systems that speed products through its ports. This

entailed government investment in a new company, CrimsonLogic, whose central mission includes increasing the efficiency of logistics and trade. As a result of their policies and investments, these two countries have attracted significant investment flows from around the world.

Must achieving optimal trade efficiency through the adoption of Soft Infrastructure be the sole province of wealthy capitalist countries? This need not be the case.

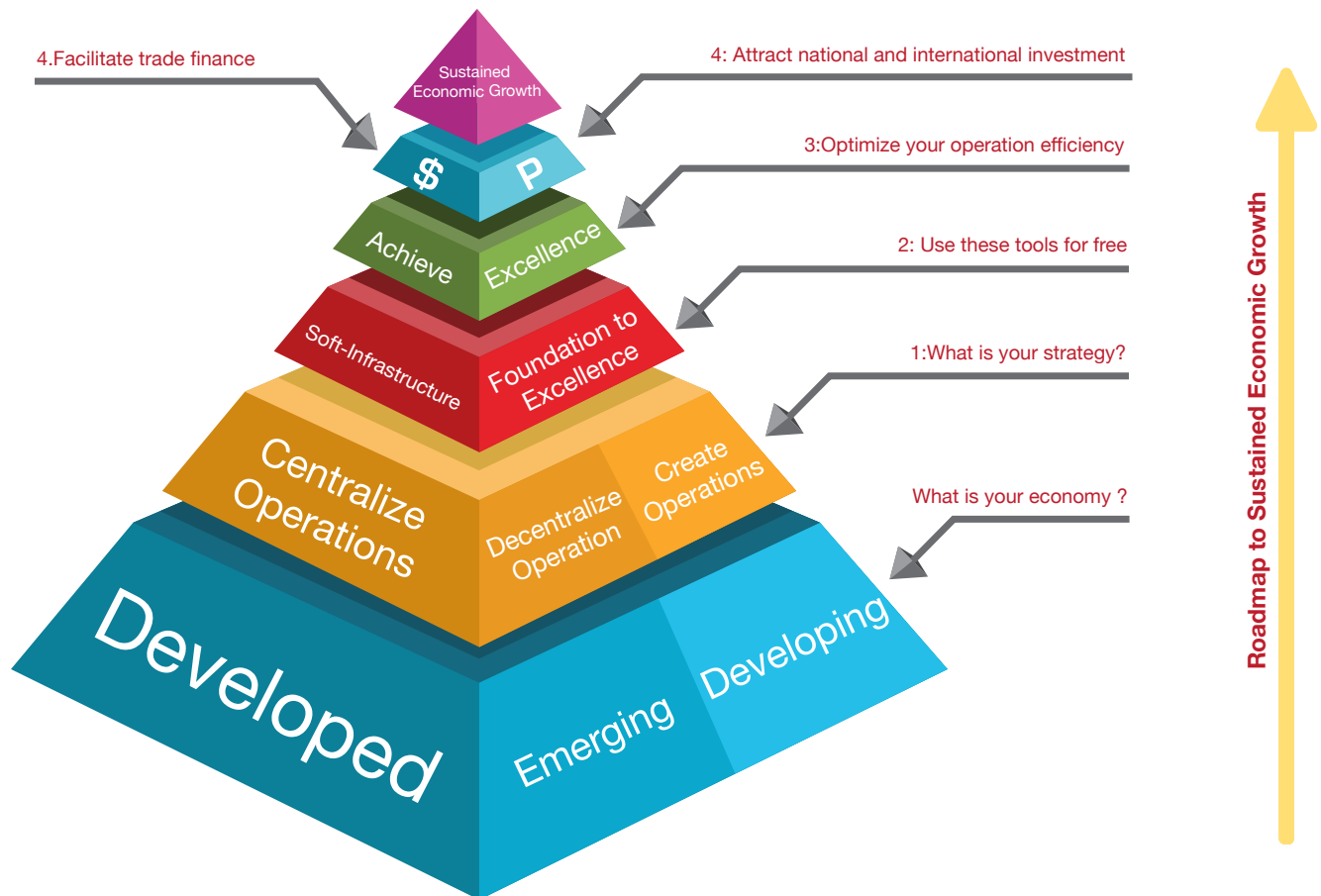
The fact remains that the last decade of technological development has enabled the rapid adoption of modern systems at lower cost, allowing lower-income countries to adopt these systems effectively and without insurmountable financial burdens. Indonesia, for example, was one of the first nations in the world to deploy digital soft infrastructure for telecommunications, swiftly deploying cellular networks and triggering the rapid adoption of digital telecommunications. In fact, Indonesia's rate of adoption surpassed that of the United States, where the existing hard infrastructure of copper lines and analog switches were legacy investments that actually delayed its transition to digital communications.

In the same way, the Europe and MEA region has the bold opportunity to become a global leader in the deployment of Soft Infrastructure, creating a powerful 21st century digital platform for trade that will integrate the economies of the region, connect it with the global economy, and make its businesses much more competitive in the global marketplace.

THE ROADMAP TO ECONOMIC GROWTH THROUGH SI

The entire Europe and MEA region has an opportunity to be among the first to deploy **SI** and fulfill its enormous potential, thereby taking the region's place on the global stage as an economic powerhouse. Nonetheless, the region needs a "roadmap" to guide the rapid deployment of the tools needed to achieve the desired economic goals. This will unfold over 18 months in four stages (Figure 2). Here's how.

Figure 2. The Roadmap to Sustained Economic Growth



1. Empower Europe & MEA businesses to compete in the global economy

To be successful, an economic program designed to help the Europe and MEA region realize its enormous potential must give private and public businesses the hard and soft infrastructure they need to maximize their strengths in the regional and global marketplaces. In addition to securing a higher degree of trade efficiency, **SI** helps to strengthen business operations and hence competitiveness. In a world economy where globalization is the dominant theme, many businesses are now faced with a critical decision among three choices: To centralize operations, decentralize operations, or create new operations.

- **Centralize operations.** When an enterprise finds itself operating with high unit costs, centralizing operations is essential to capture

economies of scale and reduce costs. Expanding production allows business to spread overhead and administrative expense, thus lowering unit costs. Under this strategy, the business must find new markets for the expanded production, typically beyond the local or regional marketplace. Under this scenario, **SI** is absolutely essential to provide inputs “just in time” and to ensure timely, low-cost delivery of finished products.

- **Decentralize operations:** Some businesses will choose to decentralize operations when either the economies of scale are not sufficient to offset labor-intensive unit costs or when political and economic pressures make it easier to situate plants within trading partner countries. In this situation, **SI** is also essential. It provides the reliable connection between raw materials, dispersed production plants,

and the many destinations for final products.

- **Create new operations:** In this instance, the objective is to create new business operations and attract national and international investment by leveraging the value of two competitive advantages: Relatively low-cost labor and large regional market demand. However, in certain cases the costs of importing raw material and exporting the final product are typically very high relative to world averages, making it difficult to realize the benefit of these advantages. Here again, SI is essential to slash import/export costs and thereby attract national and international investment.

2. Establish the Foundation for Excellence

Regardless of which of the three strategies businesses select, the common thread to success is a reliable, efficient, and secure logistics pipeline. While physical infrastructure is important, the real key to an efficient logistics industry in the 21st century is integrating physical and soft infrastructures. **SI** will be available at no cost to users and includes three key building blocks as previously described: Technology, Network, and Rapid Global Deployment. (For a fuller discussion of these three elements, please refer to Section II.)

3. Optimize Operating Efficiency

In light of the current bleak economic conditions afflicting the world in general and the region in particular, public and private sector entities charged with allocating billions of dollars to finance infrastructure projects and economic programs cannot afford to make mistakes. Economic studies and financial reports should not be the sole bases for funding decisions. Prospective recipients should earn the right to investment through their commitment to achieving operational efficiency. By doing so, investment priorities can be more readily set for projects with the highest returns. This means capital providers have more confidence to invest in businesses. As a result, businesses thrive, existing jobs are preserved, new ones are created, and economic growth is spurred. In the end, the burden of promoting economic growth cannot be borne by the public sector alone. The private sector must commit to achieving higher degrees of business excellence and rise to meet the economic challenges of the twenty-first century. Access to **SI** makes this possible.

4. Secure Economic Growth

Efficiencies resulting from adoption of **SI** will not only drive down the costs of trade and production, they will also make these gains visible and trackable through a national, self-monitored dashboard for each Europe and MEA nation. This dashboard will provide three major benefits. First, it will identify businesses that are making great strides in operational efficiency, allowing them to attract additional commerce and trade finance. Second, it will help maximize the capacity utilization of the existing logistics infrastructure, thus enabling the public sector to set investment priorities based on actual available information. And third, it creates a visible indicator of future trade volume based on actual commercial orders. Together, these factors provide clear indicators on which locations should attract private investment or justify further investment by public authorities.

These steps represent a bold road map to prosperity in the Europe and MEA region. However, to implement this comprehensive plan successfully, three key guidelines must be followed.

There must be a clear objective that meets the needs and aspirations of all concerned stakeholders in order to ensure consensus and guarantee optimal implementation. HumaWealth has met this standard by establishing clear goals for the Europe and MEA region: increasing annual trade volume by USD 389 billion, supporting 40 million new jobs throughout the region, and creating new market opportunities for service industries valued at USD 6 trillion worldwide before the end of the decade.

The planned objective must be primarily founded on the existing strengths in the region. HumaWealth upholds this principle by providing a tangible plan to combine the strengths available in Europe with the strengths of MEA. Europe has vast technical expertise and great purchasing power. Today, that purchasing power is not spurring regional gains. The volume of bilateral trade between Europe and China reached 690 billion euros in 2009, with a trade deficit of 169 billion euros. That represents a lost opportunity that could otherwise be used to launch a virtuous economic cycle with the Middle East and Africa. The MEA region, meanwhile, has a youthful, low-cost labor force, vast natural resources, and large potential market demand. By conjoining and

leveraging these respective strengths through **SI**, we accelerate trade expansion and economic progress.

The necessary tools and appropriate training must be provided in order to achieve stated goals.

HumaWealth adheres to this guideline by offering and deploying Soft Infrastructure, the foundation for the emergent digital economy.

The Europe & MEA region has enormous strengths, but today faces many obstacles in combining them. HumaWealth provides the *SI* needed to connect the expertise and buying power in Europe with the youthful labor force, natural resources and huge market potential of the MEA. In short, the Europe & MEA region is ready to ignite its engine of trade by harnessing the power of innovation founded on *SI*.

II. TWO PHASES FOR BUILDING A PROSPEROUS FUTURE: EMPOWERING THE DIGITAL ECONOMY

The digital economy has emerged as a topic of priority among the custodians of the global economy. Some essential questions have surfaced in this regard: Does the digital economy exist, or must we create it? If it does not exist, then who will create it, and at what cost?

Let's pause for a moment before engaging in the digital economy debate and answering these questions. All agree that the ultimate goal is to foster a prosperous global economy. As previously stated, global trade is the engine of global economy. This trade is supported by four principal pillars-commerce, finance, insurance and global logistics. These industries currently employ digital technology in an inefficient manner.

The digital economy does exist in the 21st century, but it is fragmented and thus fails to achieve the enormous potential it holds. Now, in the wake of the global crisis, we must unleash its full potential to promote global economic growth. The question is: How to do so and where to start?

The deployment of Soft-Infrastructure is the ideal solution. **SI** will enable the integration of the four pillars of trade, spurring global trade and delivering the true promise of the digital economy that is needed now for a prosperous, stable global economy. To achieve this objective, a selected and trusted network from GCEL members representing the leading organizations in the FIT industries will deploy **SI** at no cost to the end user, thus integrating the four pillars of trade and empowering the digital economy. Over the course of 18 months, HumaWealth aims to deploy **SI** and develop the region's digital economy in two key phases:

PHASE I - DELIVERING SI TO EMPOWER THE DIGITAL ECONOMY, REACHING A NEW ERA OF TRADE EFFICIENCY

SI is comprised of three critical pillars:

1. The Technology. The Global Logistics System, or GLS, is an open platform technology that has been tested and validated by major public and private organizations throughout the world. The GLS represents a bold new approach to powering the **SI** required in the 21st century. Combining a robust set of advanced technological features, it maximizes

the efficient movement of goods from shelf to shelf, resulting in a significant cost reduction and productivity gain increase for all entities involved in the logistics supply chain. These productivity gains are achieved by targeting six factors that ultimately determine the efficiency of this chain. The World Bank and many other international organizations have identified similar critical elements that affect overall logistics efficiency (World Bank Logistics Performance Index, 2008). The GLS addresses all six efficiency factors at once:

- **Integration.** The GLS provides horizontal integration (point-to-world) of common commercial data, allowing information to be shared dynamically and in real time among all supply chain partners (import or export) anywhere in the world—either through web portal access or via non-intrusive integration with existing vertical systems.
- **E-Documentation.** The GLS reduces paperwork to minimize errors and redundancies (fewer keystrokes) while maximizing data validation and documentation through multiple sources in the same pipeline. This seamless electronic sharing of essential information roughly corresponds to what has been achieved within global airline passenger reservation systems, wherein specialized systems which minimize the need for paper airline tickets have greatly increased operational efficiency.
- **Tracking and visibility.** The GLS optimizes the efficiency of the supply chain to enhance planning and decision-making. Real-time visibility of information enables banks and insurance companies to do business with minimized credit and investment risks, as well as guaranteeing cargo security that enables advanced clearance and facilitates the entry of goods through ports.
- **Competence.** Any system that facilitates trade is only as good as the people who manage, implement, and execute it. The GLS puts heavy emphasis on initial training, also provided at no cost to end-users. It also provides the tools to sustain employee productivity and serves as a self-monitored system providing real-time

information on areas of underperformance, ensuring that any breakdowns in the supply chain can be addressed quickly.

- **Processes.** A highly fragmented global logistics industry has left a legacy of many trade impediments around the world. The current environment consists of vertical systems striving to achieve horizontal efficiency. Therein lies the fundamental error. Horizontal systems are required to achieve horizontal efficiency, and GLS is a truly horizontal system designed to enable business and operational efficiency for all parties concerned in the supply chain, leading to a reduction in the cost of imports and exports.
- **Cargo Security.** The GLS enables a quantum leap in cargo security by providing multiple-source, dynamic information about each shipment and supply chain. It also heightens efficiency in meeting import/export security compliance by providing customs officials with real-time visibility of shipment movement for advance clearance. In all, this amounts to a greatly expanded base of information with which border security officials can identify and flag anomalies. In effect, governments can shift from a “2D” viewpoint to a “3D” perspective, gaining a comprehensive understanding of all salient information concerning a given shipment. (For a full discussion of the impact of GLS on cargo security, please refer to the “Secure Cargo Anti-Terrorism Coalition Report,” 2003).

Addressing these six critical elements will encourage business excellence and trade efficiency. As mentioned earlier, this concept has been proven in the few companies that have been able to achieve business excellence; FedEx, UPS and DHL became Fortune 100 companies through adoption of these methods, actualizing billions of dollars worth of heightened efficiency within the scope of their operations. Thus, making these methods available in all corners of the world is of utmost importance. The GLS, its technical capabilities, and program scalability have been tested and proven in a multi-month project over one of the world’s busiest trade corridors: The trade corridor between Canada and the United States. This project involved one of the most complex

supply chains in the world—the automotive industry. Based on these on-the-ground results, GLS reduces the cost of trade in terms of landed import and export costs by 30% and cuts unit-operating costs by up to 15% (Secure Cargo Anti-Terrorism Coalition Report, 2003).

2. The Global Network. The goal of this network is to integrate and empower the four major powers of world trade—the commerce, finance, insurance and logistics industries – through the launch of the open-source GLS platform. Since logistics is both the engine of world trade and its weakest link, reconfiguration of the logistics industry will automatically strengthen the commerce, finance and insurance industries by thoroughly integrating them in global trade and ensuring the necessary transparency to enable increased profitability and reduced risk. Experts agree that the efficiency of global logistics can be improved dramatically when the finance, insurance and technology industries (FIT) are combined in a single network to ensure the swift deployment of GLS at no cost to end users. As a result, the WLCN will be comprised of leading FIT firms around the world which serve as gateways to the GLS.

GCEL will adopt high selection standards for the FIT firms who have established their reliability and trustworthiness to the private sector thanks to their track records of achievement. In order to address monopolistic and geopolitical concerns, ensure global acceptance and facilitate optimal delivery, 28 Gateways will be drawn equally from each of four global regions (seven each in Asia, Europe, MEA, and the Americas). Some of these world-class firms have already joined GCEL’s membership in anticipation of the selection stage. They represent 60% of world GDP and will be selected through an equal opportunity and transparent process, thus allowing them to participate in a market destined to be valued at USD 6 trillion by 2020.

3. The Rapid Global Deployment. Rapid adoption and deployment of this initiative to create global economic well-being depends primarily on public-private partnership. Leaders of these sectors will work collaboratively, each focusing upon their individual areas of specialty, to ensure **SI** deployment around the world. This spirit of cooperation will be most evident at the HumaWealth Genesis Event,

wherein world leaders will commit to establishing this new digital platform for global commerce. The other key factor is that GLS will be provided free of cost to end users worldwide, owing to an innovative revenue sharing model established among the World Logistics Council Network (WLCN) members (world-class FIT firms). For every \$1 of revenue generated, 10¢ will be allocated to the Technology Gateways to build, deploy, maintain and enhance the core system. Adoption is further facilitated by virtue of the system's user-friendly design, easy web-portal access and non-intrusive integration with existing systems. HumaWealth initiates the deployment of GLS through four Benchmark Trade Lanes allocated equally in each of the four global regions of over an 18-month period. We will attain full global coverage within 12 months thereafter.

GCEL will also undertake an ambitious global R&D program designed to ensure that all corners of the globe benefit from GLS usage, also funded through the revenue sharing model.

PHASE II - ACHIEVING THE REQUIRED ECONOMIC REBALANCING BY CONNECTING THE STRENGTHS OF THE EUROPE AND MEA REGION

The second phase of the HumaWealth Program will generate significant benefits globally as more and more countries adopt the GLS digital platform. These benefits fall into two main categories.

The first category is a set of three major benefits directly resulting from the use of the GLS. First, the GLS creates dynamic transparency of trade and commerce information through a powerful new digital dashboard. This dashboard highlights current and future trade volume, allowing investors from the public and private sectors to prioritize investments in firms and infrastructure that offer the highest returns. Second, the GLS yields a quantum leap in efficiency by slashing the shelf-to-shelf cost of trade from the current average of 11% to the optimal 6%. This reduction will save the region USD 356 billion per year and the world nearly USD 700 billion a year. In addition, businesses will be able to reduce unit operating costs by up to 15%. Third, the GLS makes business excellence transparent to buyers throughout the world. This helps businesses

connect their products with global markets—and with higher conversion rates.

These achievable benefits are highly significant and offer targets that should not be underestimated. For one thing, the global savings alone offer an interesting contrast to the goal of the Doha Round of global trade talks. At best, the Doha Round would deliver to the global economy annual savings of USD 350 billion, an objective that has still not been achieved. Yet the three major benefits outlined above are only the beginning. Enhanced cargo security, improved food safety, better disaster response and a reduced carbon footprint are other major benefits delivered by the GLS.

The second category focuses on recovering lost trading opportunities and promoting a constructive rebalancing of the global economy. Over the past three years, the EU merchandise trade deficit with China has averaged USD 205 billion. The GLS makes the timing and nature of goods exchanged between China and Europe readily visible and enables European buyers to identify and buy from MEA companies which produce similar goods and have achieved business excellence. By shifting the amount of its average trade deficit with China to purchases from its MEA neighbors, Europe will boost the buying power of these countries. In effect, this will create a nearby market for Europe to sell its surplus of high-value industrial products and services. This will spark trade growth across the entire region, supporting new employment opportunities that are commensurate with the skills and aspirations of the population. (For a fuller discussion of all of these benefits, please refer to Section IV.)

The adoption of S/ will enable countries in Europe to connect their strengths with those of the MEA countries, resulting in a substantial expansion of trade. This represents a powerful wave of trade efficiency and also paves the way for a new era of business efficiency. This will ultimately transform the economies of the Europe & MEA region and the world.

III. LAUNCHING THE HUMAWEALTH PROGRAM

The League of Arab States (LAS) the African Union (AU) and the Global Coalition for Efficient Logistics (GCEL) have joined together to help the Europe & MEA region create trade efficiency and sustain economic progress. This will be achieved through the HumaWealth Program whose goal is to provide a road map and the tools needed to deploy the 21st century Soft Infrastructure and empower the digital economy.

Initially, the **SI** will be deployed through a benchmark trade platform, or trade lane, between the South Med and the North Med. Over time the platform will be expanded throughout the broader region to become a 21st century benchmark for the world. To further the program's success, we have engaged the active participation and coordination of key businesses and government agencies involved in the Program's global launch.

The LAS, AU and GCEL are committed to deploying this critical and vital program and to ensuring that it benefits all European and MEA nations. This will be further assured through the cooperation of HumaWealth's global partner organizations as the program is launched. All of these organizations are firmly committed to seeing this program through to timely and sure completion.

OUR SHARED COMMITMENT TO ACT

- GCEL pledges to provide regular updates, including all necessary information and supporting data, to all involved countries throughout the Europe & MEA region. These updates will enhance their full awareness of program benefits, obtain their input and recommendations, and ensure the necessary transparency in terms of the program's progress with the understanding that we are working jointly with them to achieve a prosperous economic future. The updates will also ensure that this Program will fully advantage and align with other major initiatives being undertaken across the region.
- GCEL commits to finalizing the implementation plan for the Europe & MEA Benchmark Trade Lane according to the proposed timeline.
- GCEL commits to ensuring that private and public sector participants receive the training

necessary to effectively use the new digital tools this program provides.

- GCEL commits to LAS and AU participation in GCEL's Research and Development Program to help ensure that all corners of the broader region reap the benefits of this Program, and to ensure that the needs of the broader region are duly considered when the system is expanded or modified.

FOUNDATION FOR SUCCESS

The HumaWealth Program aims to connect the needs and strengths of the developing nations in the MEA region with the skills and the buying power of the developed economies in Europe. This will trigger job creation, foster prosperity and ultimately sustain economic growth. The above will be achieved by solving the fundamental problem affecting all countries in the region which is the lack of transparency and inefficiency in trade. Since the starting point to achieve trade efficiency and transparency is to empower the logistics industry, we have united our efforts to deploy this vital Program in this region and the world by adopting the following foundations:

The solution must be global in scope. Global trade is interdependent by nature. Thus, the solution must provide comprehensive global coverage to be effective. The HumaWealth program will deploy the Soft Infrastructure within 18 months, targeting global coverage 12 months thereafter.

The solution must offset monopolistic concerns. For the solution to be sustained it must be delivered by the private sector, which has earned the world's trust through its proven capabilities and skills. It is also imperative that these companies work together despite their natural inclination to compete. The world will simply not accept a solution provided by one company. Since a global trade solution is of vital concern to national security and sovereignty, the solution cannot be entrusted to one or a few private interests. Therefore, collaboration is critical to prevent monopolization; cooperation can be achieved only under trusted, authoritative leadership. The HumaWealth Program has proven its leadership by virtue of its success in establishing strong global collaboration and will provide equal opportunity for capable and leading FIT firms to be part of the Global Network and deploy the program.

The solution must be founded on public/private partnership. It is neither the mission nor focus of governments to provide solutions directly to the market. The state's responsibility is to minimize the costs of trade, provide the necessary legal frameworks, and the incentives that drive sustained economic growth. At the same time, it is not acceptable for the private sector to monopolize a global solution. Therefore, the private sector is not capable of presenting a solution that offsets monopolistic and geopolitical concerns. A true global solution must unite the private and public sectors so that each works within its proper jurisdiction to produce a transparent, measurable and equitable solution. GCEL has achieved this goal through the HumaWealth Program.

The solution must be available to all potential users throughout the world. The extent and speed of global adoption depends on the ease and cost of access to the solution. A solution that is high-cost and/or requires intrusive integration will not gain rapid deployment. GCEL's proposed business model and open-source technology platform have overcome these hurdles. The system is provided at no cost to end users, in a user-friendly environment, and through non-intrusive integration either through web portal or vertical system integration.

The solution must be deployed rapidly. Global trade is necessarily interdependent; a piecemeal approach simply will not be effective. In order for a firm to conduct global commerce, it is necessary that its prospective trading partners also have complete, immediate access to the same system. This is necessary to maximize the benefits offered by the solution. HumaWealth's Soft Infrastructure is founded upon the premise of rapid deployment and will achieve full global coverage within 30 months.

An effective global solution, one that ensures effective participation by all parties, must include not only technical prowess but also a comprehensive strategy. In this respect, HumaWealth provides an ideal solution for the problems of the 21st century in the Europe & MEA region and the world. It unites all those concerned about the problem, directing and motivating stakeholders to do what they do best. The HumaWealth Program will deploy the solution swiftly and at the global level, making it available to all countries around the world.

HUMAWEALTH'S FIVE KEY GLOBAL STAGES TO LAUNCH THE PROGRAM

HumaWealth's aims at deploying the Soft Infrastructure globally over 18 months in five key stages:

1. Convene the HumaWealth Genesis Event. This major international meeting is planned to be held at the United Nations in Geneva. Attendees will include government leaders as well as prominent finance, insurance and technology firms (FIT) from the four regions of the world (Americas, Asia, Europe and MEA). Membership applications to the trusted World Logistics Council Network will be selected through a transparent, equal opportunity process that permits all types of firms—from SMEs to multinationals—to submit their candidacy for selection as WLCN Gateways to deploy the GLS globally.

2. Select the Network members and pre-launch training. GCEL will select a total of 28 companies including 12 finance, 4 insurance and 12 technology firms, allocated equally among all 4 regions (7 per region and 1 per country). These firms will serve as WLCN Gateways to launch, improve and ensure the continuous maintenance of the GLS under the oversight of GCEL. Selection criteria include: 1) the extent to which the company can offset geopolitical and monopolistic concerns, 2) technical capability, and 3) their reach in the global marketplace. Announcement of final selections will occur approximately 60 days following the Genesis Event.

3. Deploy the Global Benchmark Trade Lanes. The GLS will be triggered initially through four HumaWealth Benchmark Trade Lanes, one in each region of the world. Each Trade Lane will include sellers, buyers, carriers, logistics service providers, and the public sector—everyone participating in the shipment process from shelf to shelf. Each carefully selected lane will be evaluated through a formal process assessment before and after deployment of **SI**. These trade lanes will be selected in cooperation and consultancy with the WLCN as well as involved countries and organizations.

4. "Showcase" SI benefits. Visible demonstration of program benefits will aid in securing rapid adoption of the Soft Infrastructure. After a Trade Lane is launched

and benchmarking is completed, the WLCN and all involved countries and organizations will invite public officials and private sector leaders, including their own customers, to attend regional Showcase Forums for firsthand demonstrations of the GLS and its benefits and gains. These events will build momentum for full regional and global deployment of the system.

5. Accelerate SI/ Global Deployment: Foundation of the Digital Economy. The HumaWealth Trade Lanes are targeted to deploy the **SI** in 18 months, providing full global coverage in the subsequent 12 months. For many years, the customers of the firms comprising the WLCN have expressed a strong desire for an efficient, centralized system to enhance global logistics and trade efficiency—a system unavailable until now for reasons discussed above. WLCN members will engage their worldwide customer networks to finally provide this system at no cost. It is enough that each Technology Gateway sign approximately 150 of their own customers by 2020 for the network to gain 60% of world trade volume.

A piecemeal solution to address the economic crisis facing the region and the world will not satisfy popular aspirations. The challenge does not lie only in solving the current crises: Countries must also establish a firm foundation for a strong and sustainable 21st century economy capable of realizing the hopes of future generations. The HumaWealth Program provides the necessary tools and roadmap to achieve this objective, overcoming economic challenges and laying a solid foundation for a better future.

IV. THE BENEFITS OF HUMAWEALTH TO THE EUROPE & MEA REGION

The HumaWealth Program can serve as a powerful catalyst to trigger a new wave of economic growth across the entire Europe & MEA region. In simpler terms, by creating a new era of trade efficiency, the Program will connect the diverse strengths of the region, expand trade, support job creation and amplify economic growth. Rapid deployment of **SI** will enable Europe & the MEA region to rebalance their economies. This is achieved by connecting the buying power and expertise of North-Med with the emerging industrial power and youthful low-cost labor force of the South-Med and beyond. Millions of small and medium-sized enterprises (SMEs) will also become more competitive in global markets as they are able to lower unit operating costs and achieve business excellence by harnessing the power of this technology. The digital trade platform also spawns the creation of millions of new service jobs, further amplifying economic gains. Finally, HumaWealth will open vast new markets all over the region, thus providing new engines for economic growth.

HumaWealth will slash the region's overall cost of trade, saving the region USD 356 billion per year. It will also reduce business unit operating costs by up to 15 percent, providing a big competitive edge in global markets. Cost reductions may be even greater in many parts of the Middle East and Africa, where SMEs often have substantially higher operating costs.

With a highly efficient and secure trade platform in place, the EU stands to recover its lost trade opportunities provided that its new trading partners operate responsibly, efficiently and with transparency. Under such conditions, the EU might choose to shift purchases equal to the amount of its average trade deficit with China (USD 205 billion over the past three years) to its Mediterranean Rim neighbors. This would also help realize the vision that the Union for the Mediterranean, put forward by the EU but never fully actualized. Most of this shift in trade, perhaps three-fourths, would move to nations that lie along the eastern and southern shores of the Mediterranean. This could lead to USD 154 billion per year in new exports from these Mediterranean Rim countries to Europe.

Manufacturing cost structures are low across the MEA region, though in some cases not as low as in China. However, producers would be much closer to the final buyers, reducing shipping time and distance. Thus, fewer products would need to be maintained in the shipment pipeline or in inventory. This reduction in shipping and inventory costs would mean lower total costs for products manufactured in the MEA region increasing their competitiveness versus Chinese products.

In fact, there are several reasons why China is ready to help strengthen the industrial capacity of the MEA region. Such investment will advance four of China's strategic goals. First, it will offset global concerns related to the "made in China" phenomenon. Second, it enlarges the buying power of the MEA region, helping China reduce its dependency on high income countries. Third, it frees China to shift from low-value products to medium and high-value ones. And fourth, it allows China to invest its sizable reserves, reducing pressure to raise the value of its currency while expanding its markets at the same time.

As Europe shifts its trade from Asia to its neighbors, it will also build new buying power throughout the Mediterranean and MEA region. It seems reasonable that countries could choose to spend 60 cents of each new dollar in trade on goods from European businesses, especially on the high-value capital goods in which Europe excels. As a result, Europe could see its exports rise by a total of USD 123 billion. As export revenues are recycled throughout the economy, the economic rebalancing would trigger additional benefits. Growing incomes in MEA countries would result in increased trade among those nations that could reach USD 61 billion¹ annually.

In all, the rebalancing will trigger a new wave of trade totaling as much as USD 389 billion per year. Of course, this overall shift would likely unfold over a period of time and depend on the collective decisions of firms and government officials. In this framework, HumaWealth provides the tools and road map necessary to make such decisions in the most effective way. This represents a huge potential surge in trade for the region and a much needed catalyst for growth that benefits all parties. Based on global studies as to the links between trade and employment, the trade expansion across MEA and Europe could support up to 18.5 million jobs².

1. In this case, we have assumed that firms will keep 10 cents of every new dollar in revenue for retained earnings and investment. Of the remainder, 30 cents will be spent on products purchased from trading partners in the Middle East and Africa.

2. See John Tschetter, Exports Support American Jobs: Updated measure will quantify progress as global economy recovers, International Trade Research Report No. 1, U.S. Department of Commerce, International Trade Administration, 2010. This study represents the best currently available on the impact of trade on jobs. That report shows that USD 1 billion in goods exports supports 6,700 jobs—a figure that takes into account all jobs, from raw materials to goods production to associated services. They also estimate that a USD 1 billion increase in service exports supports 4,900 jobs. In the Euro-Med case, we have assumed the jobs will come in goods production since all of the trade figures here are products. In considering how many jobs the increase in trade might support across the MEA region, however, it is important to recognize that MEA economies have a much lower cost structure and different level of capital usage than in the United States. Thus, recognizing that per capita incomes are roughly nine times higher in the U.S. than in the Mediterranean Rim countries, we have made a conservative assumption that the impact of 1 billion in trade will be roughly 7 times that of the United States. In the rest of the MEA region, incomes are an average of 23 times less than in the U.S., and therefore we have assumed that the impact of 1 billion in new trade will be roughly 15 times that of the U.S. In both cases, we have further assumed that all the jobs will occur in goods production. In the case of trade within MEA, we have assumed that firms will spend 30 cents of each new dollar in income on products from elsewhere in the region. In every case, the final outcome depends, of course, on the response of businesses throughout the hemisphere, but these projections provide a useful target for consideration.

Europe and Mediterranean Rim nations would reap 8.7 million jobs, with another 9.8 million jobs created in the rest of Africa and the Middle East. An added bonus for the Euro-Med region will be the creation of service sector jobs.

Finance, insurance, and technology industries will provide the gateways for delivering the **SI**. If the MEA region garners a quarter of this total market, then it will support some 14.7 million high-pay jobs across the region³. Europe will garner another quarter of the total market, supporting another 7.4 million service jobs there.

The expanded industrial capacity in the Mediterranean rim and other MEA countries may lead them to support still more factory jobs and thus expand sales to the rest of the world. The increased trade volume moving through ports, waterways, and roads may trigger new investments in physical infrastructure, boosting employment for their construction and ongoing maintenance. These and other unforeseen factors could lead to stronger than projected gains in job creation.

Together, these represent a powerful set of benefits for Europe & the MEA region at a time when a new economic dynamic is desperately needed. In fact, HumaWealth will trigger an even broader set of benefits around the world as the digital economy reaches its fullest potential. Fully implemented, HumaWealth will:

Increase the flow of trade finance. An immediate spark needed to boost regional trade is the expansion of trade finance. The GLS provides real-time visibility, data consistency, and third party validation for all trade transactions, allowing banks to better assess the quality of the underlying credit base and transaction collateral. The resulting reduced credit and transaction risk are the keys to expanding badly needed trade financing for businesses large and small, who might not otherwise qualify for such financing. Coupled with the huge market opportunity, the reduced risk will encourage banks to get back in the business of doing what they do best—financing commerce. This new activity will be especially important to SMEs, which form the backbone of the business in the emerging and developing nations—and which are crucial to regional trade expansion.

3.As above, this estimate draws on Tschetter. The assumption here is that each 1 billion in new service revenue will support 4,900 service jobs. In the MEA region where wage rates are less than in the United States, the number of jobs supported is assumed to be twice as high as this U.S. based estimate would suggest. In Europe, the service jobs supported by expanding revenues are assumed to be the same as in the United States.

Supply public officials with robust tools to guide and monitor public investments. Rebalancing the global economy will require growing trade among new partners. That means new investments in roads, ports, and other physical infrastructure. The question is: Which investments where? Physical infrastructure is costly and takes a long time to construct. Given the budget shortfalls that public officials are facing today, from the public sector and international donors, they cannot afford to make mistakes. The HumaWealth Program provides a digital dashboard that will show which businesses and regions are achieving excellence and how future trade volume will grow. This helps attract private investment, shifting some of the burden to the private sector. It also puts businesses and regions in the position of earning public investment through their own commitment to excellence. Together, this eases the burden of decision on public investments.

Boost profits and capital availability for business, especially SMEs. Three powerful benefits flow from **SI** to businesses large, medium, and small. Business operating costs fall by up to 15%, thus increasing profits. Businesses connect with new and distant markets, helping them grow sales on the most competitive terms and with the assurance their products will arrive on time. And as mentioned above, **SI** facilitates real-time sharing of essential business information, effectively reducing the credit and transaction risks borne by lenders. In turn, lower risk allows capital providers to lend more readily, especially to SMEs that might not currently qualify for such financing.

Build regional buying power. Global economic rebalancing requires growing the buying power of the mid-income countries, which collectively represent 45% of the world's population. Businesses in these countries will play the main role in driving this growth. As they increasingly use this highly efficient pipeline of commerce, profits will rise, capital will become more accessible, and more jobs will be created. Together, this adds up to stronger buying power in the countries that need it most, triggering a virtuous cycle of trade and development across the region.

Fund a major new R&D program to assist every region in the world. The unique revenue sharing structure at the heart of the HumaWealth Program does far more than bring world-class firms to facilitate 21st century trade.

It also funds a powerful new R&D program to help every region of the world realize the full potential of the new trade efficiency era. This R&D program endows eight subcommittees to invest in ongoing research programs, each aimed at a major benefit accruing from HumaWealth. The research programs address economic development, trade development, cargo security, food safety, disaster impact readiness, technology, academic, and SMEs. These collective investments will underpin regional development, helping to ensure that each region finds the best path to exploiting its potential. Assignment of a portion of the overall revenue pool will fund the program. The R&D fund has the potential to grow into a very large commitment, projected to surpass USD 18 billion annually by 2020. Overseen by a global non-profit public/private partnership, the funds will be free of geopolitical constraints and invested for maximum humanitarian benefit.

HUMAWEALTH'S BENEFITS TO THE EUROPE & MEA REGION AND THE WORLD

The following is a summary of the benefits provided by the HumaWealth Program. These benefits galvanize the commitment of our organizations to deliver a new era of trade efficiency and seize the full potential of the digital economy. We have categorized them as follows:

- The World
- The Europe & MEA Region
- The Public Sector
- The Private Sector
 - Service Industries
 - Large Enterprises
 - SMEs

BENEFITS TO THE WORLD

- Reduces the cost of trade from the current average of 11% to 6%, saving the world USD 700 billion a year
- Increases intra-regional trade by leveraging the expertise of developed countries and the youthful labor forces in developing countries.
- Maximizes capacity utilization of the present physical logistics infrastructure, providing a much stronger foundation to meet the projected increase in world freight volume.

BENEFITS TO THE EUROPE & MEA REGION

- Reduces the cost of trade in the Europe & MEA region from the current average of 11% to 6%, saving the region USD 356 billion a year (USD 282 billion in Europe, USD 41 billion in the Middle East and USD 33 billion in Africa), and reducing average unit operating costs at businesses up to 15%, all at no cost to end users.
- Creates up to 18.5 million jobs from increased trade in goods, with up to 22.1 million jobs in the finance, insurance, and technology industries associated with the deployment of **SI**.
- Attracts billions of dollars in physical logistics infrastructure investment from private sector funding sources, diminishing reliance on funds from public budgets and international donor organizations.
- Maximizes the impact of economic programs and strategic investments.
- Provides the systems, tools, processes, and world-class strategic partners to build and upgrade the service industry infrastructure throughout Europe, the Middle East and Africa.
- Increases the flow of trade finance to Euro-Med businesses by providing real-time data transparency of trading activities and thus reducing risk.
- Expedites and facilitates trade finance underwriting requirements, a benefit of particular significance to SMEs.

BENEFITS TO THE PUBLIC SECTOR

Cargo Security

- Protects international borders and the flow of commerce through multiple layers of cargo security defense.
- Assists in meeting international cargo security mandates and reduces cost of cargo security compliance, thus increasing global cargo security participation.
- Provides the world's first early warning system on cargo security – Advance Dynamic Global Cargo Visibility – that will combine multiple sources of information to confirm goods' sources of origin for proper customs duties and expedited advance clearance.

- Delivers point-to-world integration, enabling interactive, real-time data visibility for both customs-to-customs and customs-to-business.

Food Safety

- Ensures the source of origin and timely delivery of high-quality food, as defined by public regulations and private sector specifications.
- Provides a globally efficient agricultural health surveillance system that will contain food disease outbreaks—proactively, not reactively.
- Cuts the cost of agriculture industry regulatory compliance.

Disaster Impact Readiness

- Provides global real-time information on the availability of all materials needed for emergencies
- Allows the global logistics industry to mobilize rapidly and deliver necessary disaster supplies in the fastest and most efficient manner.
- Delivers an Emergency Transportation Flow Management System that directs and re-directs traffic as required and reroutes shipments during emergency situations, ensuring a sustained flow of commerce.

Carbon Footprint

- Reduces fuel consumption by increasing capacity utilization throughout the logistics pipeline and increasing throughput at ports and border crossings.
- Lowers carbon monoxide emissions by reducing multimodal freight congestion at high-volume ports and other logistics chokepoints.

BENEFITS TO THE PRIVATE SECTOR SERVICE INDUSTRIES

Financial Institutions

- Provides seamless integration into the dynamic market for global trade financial activities. This represents a USD 5 trillion market opportunity by 2020.
- Allows real-time and dynamic monitoring of transactions, minimizing fraud and reducing compliance reporting efforts.
- Permits enhanced risk analysis and better data validation and consistency.

- Enables new and enhanced financial services, opening up new revenue opportunities.

Insurance Institutions

- Provides insurers with a seamless integration into the global trade insurance market, projected to be a USD 400 billion market by 2020.
- Delivers the technological capability to provide door-to-door competitive insurance premiums by reducing administrative costs while improving customer service and the speed of response to customer concerns.
- Provides the capability for fully dynamic analysis of historic and real-time data related to customers and all parties involved in the shipment process. This enables proper risk assessments and accurate premium evaluations.

Technology Deployers

- Provides IT companies with a new business model, with a market opportunity in excess of USD 400 billion by 2020.
- Increases the return on investment (ROI) for their current customer bases by enhancing the efficiencies of current vertical logistics systems.
- Provides the capacity to add additional features to current customers' in-house vertical systems while also enabling development of new vertical systems that maximize the success of market expansion.

Tracking System Providers And Data System Integrators

- Gives tracking and data businesses access to a market opportunity projected to reach USD 88 billion by 2020.
- Reduces their operation costs while enhancing the value proposition to their present and future customer base.
- Gives them new capacity to expand their global reach.

Carriers

- Reduces landed import/export costs by up to 30% and operating costs by up to 15%.
- Maximizes capacity utilization and minimizes administrative costs, thus increasing carrier profitability.
- Reduces operating costs, enhances customer service, and enhances fraud detection through direct, point-to-world integration in global supply chains.

Logistics Service Providers

- Enables global market expansion at no cost.
- Reduces operating costs and enhances customer service by removing the requirement for point-to-point integration of electronic data interchange (EDI) and other transmitted data.
- Provides one system to meet global industry and country requirements.
- Provides “point-to-world integration” that improves efficiency and avoids redundancy of data entry (fewer keystrokes to minimize errors).
- Minimizes efforts and costs required to meet industry and governmental security compliance requirements.

Points of Entry

- Maximizes the capacity utilization of existing logistics infrastructure and meets global cargo security requirements at no cost.
- Reduces operating costs and enhances customer service through direct point-to-world integration in global supply chains.
- Provides port officials and others with advanced and dynamic tools to manage inbound and outbound trade volume, greatly expediting documentation.

Large Enterprises

- Reduces the cost of trade (landed import-export costs) by 30% and average unit operating costs by up to 15%.
- Provides businesses with a coherent program for regional and global market expansion and the tools to reach new markets quickly and efficiently.
- Provides businesses with the tools to minimize the costs of operating a supply chain-plus dynamic tools to monitor the ongoing performance of global service providers and trading partners.
- Assures ease of access to integrated ancillary services (e.g., finance, insurance, and technology).

SMEs

- Reduces the cost of trade (landed import-export cost) by 30% and average unit operating costs up to 15%.

- Makes SMEs more bankable through real-time visibility, dynamic updates, data consistency, and third party corroboration.
- Provides the ability to leverage multiple modes of transport (ocean, truck, rail, and air) door-to-door with global personalized service provided by the selected carrier’s agents. In the past, such capacity was simply unavailable to small businesses.
- Provides access to a simplified system process for on-line quoting, booking, and bill of lading instructions while reducing the number of personnel dedicated to manual faxing, e-mailing, postal mail, and phone calls.
- Increases the business’ global visibility and its access to ancillary service providers.

In conclusion, HumaWealth provides a host of benefits to a region that eagerly awaits economic growth and stability—and does so at no cost to governments or businesses. HumaWealth will grow trade throughout the Europe & MEA region, make SMEs and large businesses more competitive, boost the region’s capacity to grow technology, finance, and other key service industries, enhance cargo security and the accountability of border officials, and promote economic growth and integration in global markets.

THE EUROPE & MEA HUMAWEALTH DECLARATION

The Europe & MEA region must find a new path to economic prosperity and stability. There is no other choice—the stakes today are too great to ignore. Debts resulting from the financial crisis must be paid down. Government budgets must be restored to balance. Tens of millions of unemployed workers must be put to work. And lost trade opportunities must give rise to expanded trade throughout the region.

This great region has all of the ingredients necessary for prosperity, including the most critical element—the human one. Europe offers one of the best-educated work forces in the world. MEA has one of the globe’s most valuable concentrations of youthful workers. It has the world’s single largest consumer marketplace right next to an area eager to supply it with more goods and services. The region has the technology and a spirit of innovation. Further afield, it has a treasure trove of natural resources scattered throughout Africa and the Middle East.

What is missing is the right formula to combine these ingredients. **The Europe & MEA HumaWealth Program** supplies the region with a 21st century formula—one founded on the power of innovation and trade. Trade is the only way to connect the region’s great strengths. In the 21st century, however, trade belongs to those who harness the enormous power of innovation. HumaWealth supplies the tools and road map to build a digital trade platform throughout the region and beyond, one founded not on the hard infrastructure of yesterday, but on the digital Soft Infrastructure, or **SI**, of tomorrow. To do that, HumaWealth supplies the region with the three key elements of **SI** for trade. Best of all, it deploys this **SI** in 18 months, and at no cost to either governments or the businesses that use it.

The Europe & MEA region cannot wait any longer. As it has done throughout its rich history, the region must now come together to act and innovate. This wondrous region invented trade some 3,000 years ago. Those who went before us knew that to trade we must innovate, and so the alphabet was born. In that same great spirit of bold innovation, we, the signers of this declaration, do hereby resolve and commit to launch **The Europe & MEA HumaWealth Program** and see it to its successful conclusion.

The African Union

The Global Coalition for Efficient Logistics

The League of Arab States

The League of Arab States (LAS)

The League of Arab States (LAS) was founded in 1945 with six Member States. It currently has 22 independent Member States. The General Secretariat of the LAS is based in Cairo and implements the LAS Pact - the League's founding Charter -and all agreements related to the Joint Arab Action. It aims to draw closer relations between Member States and co-ordinate between them in all fields, especially economic and social programs, Arab specialized organizations and associations of quality related to Arab and joint economic action. Since 1998 and through economic integration, the Secretariat of the League of Arab States, the organizations of Joint Arab Action and the Arab private sector have put great efforts into achieving the Greater Arab Free Trade Area (GAFTA). This initiative helped in the abolition of all forms of customs duties and taxes on Arab agricultural and industrial goods traded in 2005 in preparation for the launching phase of the Arab Customs Union in 2015. In furtherance of this role, the General Secretariat, represented by the Economic Division, executes the resolutions of the Economic and Social Council and other specialized ministerial councils, such as the Ministry of Transport, towards achieving partnership with the private sector and regional and international organizations to promote the interests of the Arab world.

African Union (AU)

AU is a union consisting of 54 African states. Established on 9 July 2002, the AU was formed as a successor to the Organization of African Unity (OAU). The most important decisions of the AU are made by the Assembly of the African Union, a semi-annual meeting of the heads of state and government of its member states. The AU's secretariat, the African Union Commission, is based in Addis Ababa, Ethiopia. The main objectives of the OAU were, inter alia, to rid the continent of the remaining vestiges of colonization and apartheid; to promote unity and solidarity among African States; to coordinate and intensify cooperation for development; to safeguard the sovereignty and territorial integrity of Member States and to promote international cooperation within the framework of the United Nations.

Global Coalition for Efficient Logistics (GCEL)

Based in Geneva, Switzerland, GCEL is a nonprofit public/private partnership which has developed a comprehensive solution to the multiple problems that make the global logistics industry highly inefficient today. GCEL's members include governments, NGOs, and leading finance, insurance, and technology companies around the world. GCEL is currently funded for the benefit of all through the generous support of public/private organizations around the world. The key to GCEL's approach is its unique global structural formula that bridges the gap between governments and the private sector, allowing each to do what they do best. GCEL's HumaWealth Program provides the tools and road map to create a 21st century platform for trade and commerce. This Program will be deployed in a way that provides a solution that is: truly global; open and equitable to all companies and all regions of the world; based on partnership rather than competition; and available to all potential users throughout the world and free of cost to all.