G7: Beyond 2016
A Business Diplomacy Global Briefing Report

G7

FROM PARIS TO ISE-SHIMA

The State of Climate Negotiations:
What to Expect after COP 21

G 7 2016
ISE-SHIMA SUMMIT

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Information is the currency of the future - We must secure it!

The Digital Economy is now at the top of the world leaders' economic agenda. Recognizing that the nucleus of the Digital Economy is "Information", it is imperative we keep it secure.

The implementation of the Digital Economy is of paramount importance to the G20 global leaders (naturally including the G7) as they navigate the course to bring the global economy out of its current malaise. Recently, in November 2015 at the summit of the B20 (the Business advisory group to the G20 leaders), the implementation of the Digital Economy was a key recommendation to G20 leaders which has been acknowledged by the 2015 G20 leaders in their final communiqué.

There is clear evidence that the proposed *Digital Economy Platform* (DEP), when implemented appropriately on the Business-to-Business (B2B) market place, has the potential to get the engine of the global economy humming again. In fact, the market of B2B alone in 2013 is calculated by the Visa Commercial Consumption Expenditure (CCE) index to be worth USD 119.8 trillion. However, in this centralized environment legitimate concerns remain regarding the dynamic availability and quality of the data in use as well as the security of information within this vast market. In other words, how can we gain access in real time to quality data while at the same time ensure that we protect the privacy of individuals and organizations?

Since the data is the currency of the future, we must ensure that it is not fake. The data qualities are many whereas the two extremes are: first, the Non-Validated Data (NVD) provided by a single source without validation; the second extreme is the Ultimate Data Quality (UDQ) provided to initiate an action in the real world validated through multiple sources of data in the same pipeline. Today the world of Information Technology is mainly reliant on the NVD and less reliant on UDQ.

The question remains, where can we find the UDQ? The UDQ exists in the logistics industry that is at the core of our real economy. To most people, when we mention logistics, the first thing that comes to their minds is a truck; however, the logistics industry has been under-estimated for a long time and still is today. Yet it has enormous potential to empower our global economy. The logistics pipelines are central to our economies. At the same time they represent the main source of the UDQ we desperately need in order to enhance the quality of economic data we use to reach the tipping point towards achieving the required 21st century prosperous economic era in our time and for generations to come.

Regarding the data privacy, global bodies such as the UN, WTO, APEC, OECD and World Bank have attempted to address data security where each have released principles or guidelines to cover these concerns. However, these guidelines are generally unenforceable being restricted by countries' jurisdictions. In order to properly answer the above question related to data security, it is necessary to divide this question into several parts and answer each one separately:

I. Where is the B2B data presently and is it shared today?

II. Who will decide what data shall be shared and with whom?

III. Who will transfer the data and how?

IV. What kind of monitoring mechanism is in place to provide a secure environment?

V. What kind of technology is being used to secure the trade data?

Captain Samuel Salloum

Co-Chairman
Global Coalition for Efficient Logistics (GCEL)

I. Where is the B2B data presently and is it shared today?

Today the B2B data is being shared with trading partners and with proper authorities that are involved in the flow of a shipment. However, the data is being shared passively and in a costly manner with a high level of redundancy and possibility of errors. Presently, multiple methods are being used to share trading data, starting from faxing paper all the way to limited digital exchange.

II. Who will decide what data shall be shared and with whom?

The data owner will decide what to share and with whom. Instead of sharing the data in a costly and complex manner, the DEP will allow owners of trade data to share their data by simply "checking the box". This process will provide optimum control in a proactive and efficient manner, reducing privacy exposure as well as minimizing data redundancy and costly errors.

III. Who will transfer the data and how?

There are two main ways to share the data once the data owner agrees to provide its data proactively rather than passively to its trading partners and to the authorities with whom they are dealing:

a) If the data owner is accessing the DEP *portal-in* (via web portal) once the data owner decides to share its own data, the data will be automatically and securely transferred through the DEP.

b) If the data owner is accessing the DEP through its in-house vertical system *(plug-in)*, as soon as the data owner decides to share its own data, that data will be automatically and securely transferred from the in-house vertical system via a pre-qualified data systems integrator to the DEP.

For many years, the technology industry's clients have been requesting the industry through their trusted solution providers to provide point-to-world integration. This is necessary to replace the present fragmented point-to-point integration, thus improving the efficiency of their in-house vertical systems.

IV. What kind of monitoring mechanism is in place to provide a secure environment?

Prior to answering this question, it is important to realize a fundamental fact: only a globally integrated platform can boost the efficiency of our B2B market, which is of paramount importance to our present and future economy. Consequently, globally integrated data is an invaluable currency that must be properly maintained, governed and monitored.

V. What kind of technology should be used to secure the data?

The most advanced physical and technical security systems should be deployed and maintained by the best in class team in the world, with advanced encryption, Multi Factor Authentication (MFA) and Role Based Access Control (RBAC).
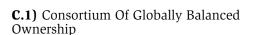
> ❝ *SINCE INFORMATION IS THE CURRENCY OF THE FUTURE, IT MUST BE SECURELY EXCHANGED.* ❞

Any organization that will be entrusted to deliver the above must have a foundation based on the Axioms of the 5Cs. The 5Cs are the result of 15 years research and development.

C.1) Consortium Of Globally Balanced Ownership
C.2) Council Of Worldwide Fiduciary Governance Board
C.3) Committee Of Technology Governance Board Experts
C.4) Controlled Segregated Technology Development
C.5) Continuous and Comprehensive Audits

THE FIVE
Cs FOR DATA SECURITY

C.1) Consortium Of Globally Balanced Ownership

It is necessary to ensure a globally balanced ownership of the DEP in order to offset monopolistic concerns. Furthermore, such ownership must involve semi-government organizations whose mission is to serve the public good.

C.2) Council Of Worldwide Fiduciary Governance Board

To oversee the proposed Digital Economy Platform it is fundamental that the governance is geo-politically neutral and non-monopolistic, so that no one country or company has undue influence. To ensure an equitable balance, the governance board requires representation from the 4 regions of the world - Europe, Middle-East and Africa, Asia and the Americas.

Each region should be represented by semi-government organizations from the 6 major economies in that area with a representative from another country to act as the Chair. In this way 28 countries across the world will represent the DEP governing body.

Welcome

Shinzo Abe
Prime Minister of Japan

January 4th 2016
A warm hello to all. I am Shinzo Abe, Prime Minister of Japan.

Japan assumed the Presidency of the G7 Summit this year. On May 26 and 27, Japan will convene the G7 Ise-Shima Summit in Mie Prefecture.

In Ise-Shima, the stage for the G7 Summit, you can find not only Ise Jingu Shrine with a history dating back to time immemorial, but also marvelous natural beauty including the rich sea spreading out before your eyes, islands large and small, and countless inlets. It is a perfect example of our heartland - a place dear to many, away from the bustling cities.

In such an environment, I will make this year's summit a fruitful one by having candid discussions with the other G7 leaders on various issues confronting the globe.

Today, the international community faces numerous challenges. A slowdown in the growth of the global economy, terrorism threatening people's lives, a surge of refugees, and unilateral changes to the status quo through the use of coercion are all among the challenges affecting the peace and prosperity we enjoy in our daily lives.

The G7 members, which share fundamental values such as freedom, democracy, the rule of law, and human rights, must take a global perspective to provide the most appropriate roadmap for solving these challenges with a clear vision.

The G7 Ise-Shima Summit is the first G7 Summit to be convened in Asia since the summit in Toyako eight years ago. I hope to discuss the situation in the Asia-Pacific region with other G7 leaders.

In addition to the G7 Summit meeting to be held in Ise-Shima, we will hold the Foreign Ministers' Meeting in Hiroshima and the Finance Ministers' Meeting in Sendai, as well as the Agriculture Ministers' Meeting in Niigata, the ICT Ministers' Meeting in Takamatsu, the Energy Ministers' Meeting in Kitakyushu, the Education Ministers'

Meeting in Kurashiki, the Science and Technology Ministers' Meeting in Tsukuba, the Environment Ministers' Meeting in Toyama, the Health Ministers' Meeting in Kobe, and the Transport Ministers' Meeting in Karuizawa.

Scores of journalists from around the world will converge on Japan to cover the G7 Ise-Shima Summit and these ministerial meetings, all of which will be the focus of attention around the world.

I hope to take this opportunity to send out to the world our message about Japan's unique points of appeal, including our culture and traditions, our spirit of hospitality, our world-class washoku cuisine, as well as advanced technologies and our innovation.

With your cooperation and assistance, I will work to lead the G7 Ise-Shima Summit to success.

Shinzo Abe
Prime Minister of Japan

●●*THE G7 MEMBERS, WHICH SHARE FUNDAMENTAL VALUES SUCH AS FREEDOM, DEMOCRACY, THE RULE OF LAW, AND HUMAN RIGHTS, MUST TAKE A GLOBAL PERSPECTIVE TO PROVIDE THE MOST APPROPRIATE ROADMAP FOR SOLVING THESE CHALLENGES WITH A CLEAR VISION.*●●

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●●THE DIGITAL ECONOMY IS THE TIPPING POINT TOWARDS A NEW ERA OF PROSPERITY ●●

C.3) Committee Of Technology Governance Board Experts

It is not enough that the ownership and governance is geo-politically balanced. There also needs to be a balance at the technical level through a technology board that brings together the best minds of the world to ensure the quality and security of the DEP.

Even at the technical level we must ensure a non-monopolistic balance by selecting the most qualified technology firms under an equal opportunity process from the world's 4 regions, represented by at least 3 companies within each region. It is essential that the technology board be diverse so that all regions of the globe have a seat at the table in terms of responsibility, accountability and decision-making, to ensure the DEP is secure and continuously available for all.

C.4) Controlled Segregated Technology Development

While all the above is necessary, privacy and security at the data hosting and coding levels are a must. This requires multiple layers of security and segregation of duties. At the data hosting level, multiple data centers with state of the art firewalls and physical access constraints, as well as multiple companies and employees

●●G7 LEADERS HAVE CALLED FOR A COMPREHENSIVE APPROACH TO DATA SHARING ●●

from diverse countries are required to minimize any monopolistic and geopolitical concerns. Further all software coding should be segregated into a minimum of 5 separate departments. Each will work on isolated modules that will then be integrated by a separate, independent integrator who would not be involved in the coding. This will ensure the highest level of security for the data centers and minimize any backdoor entry to the data.

C.5) Continuous and Comprehensive Audits

To ensure the utmost transparency, there must be additional checks and balances through a hierarchy of audits. First, continuous audits at every level of the operations will flag exceptions and weaknesses in internal controls thanks to a layered management structure. Second, periodic external audits shall be performed by world class auditors who will provide reports related to security compliance. Third, on-demand audits can be requested by interested parties in order to address specific concerns and verify compliance with data privacy requirements. In summary, this multi-layered audit mechanism will ensure the organization does what they say and says what they do.

All of the aforementioned are essential in ensuring that data security is maintained and that individuals' and companies' data privacy is protected.

G7 leaders have called at different times for a comprehensive approach to data sharing, data security and that cyberspace is for all mankind and should be in the hands of all nations. The latest call to action came from President Xi of China who in December 2015 at a technology conference in Wuzhen espoused the importance of building a global on line business-to-business platform to build global cyber infrastructure and for developed and developing countries to share opportunities brought by the internet and to build a cyber economy for common prosperity.

These bold ideas, echoed by other leaders in the G7 and G20, reflects the desire to enable the world economy to perform at optimum levels that 21st century technology can now provide. This vision must be tempered by a robust governance approach that is truly global, geo-politically neutral and non-monopolistic. The process to achieve this now is clear.

Since information is the currency of the future, it must be securely exchanged.

C.1 - Consortium of Globally Balanced Ownership

C.2 - Council Of Worldwide Fiduciary Governance Board Experts

C.3 - Committee of Technology Governance Board

C.4 - Controlled Segregated Technology Development

C.5 - Continuous and Comprehensive Audits

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