Christian Forwick (08:06:05):

So thank you very much and hello to everybody. So yes, the headline of this fourth panel is towards a more resilient globalization. And I have to confess, I have thought a little bit about this because very broad issue and we all know about globalization, there has been a lot of change in the last years. There has been also a lot of criticism. We see a quite different world after the pandemic, after the Russian War, and after the Trump administration even. And with regard to China, we think a lot about how to deal with China also in our bilateral relations. The world is different now. We have a track to trade blocks, it's a more fragmentation fragmented world. What we see these days, there's a lot more protectionism than it was before. A lot more French shoring companies are looking for more local production and even the states sometimes are advertising local production and there are a lot of more unilateral measures.

(08:07:06):

If you look for an example of scientific evidence, we have the global trade alert from the University of Sanal. You can see how many interceptions we have with regard to international trade. It's more than 2000 by the moment the peak was with the COVID-19 pandemic, but it's still less very, very high than what we have on interceptions in international relations under globalization. So as globalization is such a big issue, I thought I would focus on this from a trade perspective because I'm responsible for trade policy in the Ministry of Economic Affairs and that's what I know best about globalization. There could be much more to say about globalization, but I thought to give you a few thoughts also for a discussion here, what might be interesting for you and to give you an insight on what the main issues we are working on and we are thinking about on this issue how to make globalization more resilient.

(08:08:05):

So before coming to that, I would like to have a quick view of the benefits but also the disadvantages we have seen of globalization. The globalization we have today in our view started after the Second World War in 1948 when the gut was built among nations and trade was liberalized. During that period we saw trade liberalization in general. We saw open markets tariff reductions and a reduction of non-tariff barriers. And in 1994 when the WTO was founded also services were included. So this was a much more open world of free trade agenda and everybody believed in this free trade agenda at that time. And indeed it was possible to alleviate many millions of people during the time looking 19 from World War II. Today from poverty, this is amazing. I have the latest figures the per capita income grew to four to 5% per year, at least in those countries opening their markets.

(08:09:15):

And the export quota, you can see this also here, was around 4% worldwide, the average after the second worldwide. Nowadays it's between 23 to 24%, so it's a much more open world than before. Everything is based much on the thoughts of David Ricardo on his theory of comparative cost advantage, which really materialized in our view, and I would like to make this point here. We still think it works, Ricardo, by the way, it's been 200 years since he passed away because in 1823 he died nonetheless of this positive development. And in the last 20 years it became very clear that the traditional model of globalization is limited to pure trade liberalization and letting the markets do whatever they want is not always desirable and certainly not beneficial to everybody. There were losers of globalization during that period and this became much, much more evident in the last 20 years.

(08:10:24):
I would like to mention a few points everybody knows from us, but where we have seen this very much in practice, the first one is 2001. When China, with China's accession to the W T O, there was a lot of hope. I was in Geneva by myself during the time with the German mission in Geneva. And everybody hoped there that this would convert China into a market economy. This was completely wrong. China didn't do so. China continued to be very successful as a state-led economy. And what everybody thought that free trade would really convert a state economy and a market economy was completely wrong. However, China took advantage of a system that was designed for market economies. And this of course led to other issues later on when China was really very successful sometimes to the detriment of other states not thinking that way.

The second point was 2008, the economic crisis that was again due to financial reasons in this time, but there were certain deficiencies in the banking sector and also detriment to many people suffering economic losses during this crisis. 2016 we saw the beginning of the Trump administration and then a completely different view on trade on the side of the us, the US always being one of the preachers of free trade. Before this was completely different, the Trump administration looked at trade deficits and introduced new tariffs because they believed it was more important to protect the local markets. They invoked national security an issue never invoked before from many member states on the WTO. And apparently, many voters in the US saw themselves as losers of this globalization process and that's why they voted for the Trump administration and for this kind of agenda completely new to us. Finally, the two more issues we know, I don't want to get more depth insight. It's 2019. The pandemic, of course, the pandemic was also blamed on globalization. There was a broad discussion even here in Germany when there was a shortage of masks and these kinds of medical devices and many people blamed globalization for that.

The call was to do more local production, to have all this produced here. This was in our view completely wrong. And the OECD analysis later proved that to be wrong because exactly due to globalization, due to the many international trade relations we had, it was quite easy to overcome the shortages. We suddenly had much more masks and much more medical equipment than needed before because they were imported from other countries. And finally, in 2022, the Russian War, was a complete surprise to many European politicians, at least German politicians. We always had Russia as a reliable partner. We were highly dependent on Russia, this energy here in Germany. But this turned completely over the question of whether trade would contribute to peace and stability, there was always the thesis that trade would stabilize international relations. And this proved to be wrong. At least in this case, it was not true somehow to make globalization more resilient, and from a trade perspective, like to raise here five points that are at least in our discussion.

The first is about resilient supply chains. This is very much at the core of our work and I think also here in this forum, it was discussed already, the reason Russia and Covid in the last years brought everybody to think how we can be more independent, more resilient with supply chains. For Germany, this very painful experience in the energy sector was very clear. With more than 50% dependency on Russia, we had to cut it off from one day to another to look for different sources. What are we doing here? Also with connections in our international context, we have a two-folded approach here in Germany. We see the main responsibility to secure supply chains still with companies within the market. The market looks after its supply chains. The companies look after that. They know best how to make their supply chains resilient. But there's a role of governments as well.
The role of governments is to identify bottlenecks. That's what we discussed with several of our partners also in the G 20, to have a kind of mapping to see where we have bottlenecks in supply chains, where we have cluster risks and this work is going on and intensifying in these days and the month to come. The second is we need a reliable legal framework for the companies. If not, they are not in a position to secure their supply chains. There are two ways to do this. Ideally on the multilateral level we have the WTO, but it's not working everywhere. And for that, we are expanding the free trade agenda. Here in Europe, we are looking for new partners. There is a lot of movement here. We have the recent agreements with New Zealand, Vietnam, Japan, and Chile, also modernized. We have the agreement where on the way when I was here, we received the information from the Mercosur countries, what they want to conclude, this agreement.

I didn't analyze that because there was no time to do that now, but it was very clear they wanted to conclude as fast as possible and we want to here in Europe, at least in Germany, and we hope that our other European partners still more hesitant would join us here then there is very much attached to this problem of supply chains. The issue of French shoring, friend-shoring, and local production. We don't believe in the coal for more local production, but we believe in friend-shoring, and friend-shoring is what's happening already because companies are trying to put their places of production closer, or at least in those areas where they trust they can rely on their production processes. Again, the markets themselves work here, but according to from a government view, we support that. We are discussing a critical minerals club with the US and other partners, on how to source critical minerals.

We are reforming. We are discussing. We have new for to discuss this with the United States, specifically the Trade and Technology Council, where we discuss new standards, we discuss about new technologies like artificial intelligence, just to make this a little bit closer to those countries, to those partners really want to rely on, and it's not only the United States, it's other partners as well. We're extending our talks with India. We're intensifying with India for example. We are intensifying with Latin America with several countries on all political levels, on the working level, and on the very high political level. So these are the partners we like to work with and there are other partners we don't trust. That's obvious in the case of Russia, but there are a lot of questions with regard to China as well.

My second point, is level playing field, fair competition. We need to make sure to make a more resilient globalization, to have a level playing field, and to ensure fair competition. We have, this is about subsidies over capacities. Very recently the German automotive industry we just discussed there need to introduce a subsidy assessment from the European communities. That was announced yesterday by the president from the line. But also it's about the longer process, the reform of the WTO rules in this context, and the introduction of new unilateral instruments. Also from the European side, we are talking here about the antis subsidies regulations. With the car experience, we have the reform of the international procurement instrument. We have the use or more use of anti-D dumping instruments than before and we are shaping these instruments these days to look at what we need here and we have anti-coercion measures and safeguards.

The third point, economic security also a new issue at least in Germany. What is economic security? It's a very, very broad issue. It's put high on the agenda of the G seven led by Japan these days. But in our view here from a trade perspective, again it's the introduction of investment screening here in Germany. Only a couple of years ago we started with this process. The issue was that the Chinese company
wanted to take over one of the grids here in eastern Germany and we started really is this critical for us?
Where are the critical technologies? We don't want to see those countries inside where we don't have
the same trust as others. So this is very much directed against China I would say in practice. We look at
critical infrastructure for military es, high-end technologies where we want to be independent without
influence from some sites we don't know or want to see.

(08:20:17):
Very recently we took up the issue of outbound investment screening. Also, this coming out from a
discussion we have intensively with our partners in the United States where this issue is already in which
is much, much more developed here in Germany. But we recently, only a couple of weeks ago
introduced a working unit responsible only for outbound investments to screen what is possible to
assess what we need here to screen this outbound investment. The fourth issue is sustainability of
course in our view, in the German view, and in the European view, resilience is not only resilience in the
technical sense, it's also resilience. Combining that with sustainability, we have this in all the free trade
agreements. We have a carbon pricing and I saw the carbon border adjustment mechanism was
mentioned before I was already in the room. Then due diligence legislation, deforestation legislation,
and all unilateral measures we try to introduce to make trade not only resilient but also sustainable.

(08:21:23):
And my final point here is the integration of the global south. We think it's very important to the extent
that what we believe is the correct way to make globalization more resilient to other countries. In our
case, from the trade part, we follow up this in the G 20 process very strongly. We have a G 20 leaders
declaration only recently and all the trade part we agreed on is in this leader's declaration. We had a
long trade ministers process as well. It's about an open free multilateral system where we all agree with
a G 20 fair, sustainable trade, equitable trade, and transparency. A lot of work to do with medium and
small enterprises because we think this is the backbone of globalization. Digitalization, the case of G 20
was recently decided to digitalize trade documents and of course eight for trade and especially for those
least developed countries, we have to take them with us.

(08:22:30):
To conclude, I think I mentioned five instruments we are talking about. It's not exhaustive in any way.
There are other instruments of course, but I have only 10 minutes here. But I think we need to be
careful of course when applying these instruments, we have all kinds of instruments out there. If we
apply all of them together, we are really damaging the benefits of globalization. And there are already
voices coming from the WTO, the new chief economist telling us if we apply everything that we have,
we might see a loss of real income of at least more than 5%. So we have to be careful with this process.
We have the instruments, but we see the benefits of globalization and trying to merge them into a
resilient globalization. That's the points I wanted to bring in here for discussion and I think there's
perhaps much, much to go more in-depth in that. Thank you.

Syed Munir Khasru
Thank you very much, Christian. I mean that really sets a tone for the discussion that's going to follow.
As you can see, I'm very privileged and humbled by the extremely well-qualified team of experts,
researchers, analysts, and people from the think tank committee that I have. So before I move into the
session, I would request my friends to briefly introduce themself. Then I'll go to the discussion itself.
Yeah, start me.
Jurgen Matthes (08:24:03):
Okay. Yeah. My name is Jurgen Matthes Matt, I'm from the German Economic Institute. So glad to be here and to get to know you. And I had the international team at the institute, which is pretty small, so we have to focus on the most burning issues, and obviously, all the points that Christian raised are of great relevance to our work. So I would also say it's globalization has changed and will change further in the process of becoming more resilient because geopolitics has changed. You mentioned that and basically how I frame it is we talk here in Germany about the Titan vend after the Russian invasion of the Ukraine. So the change of times or the times have changed, it's a bit difficult to really translate it into English. But what is the key about that is that we came from a time, and you mentioned it, we had huge dependencies on Russia, mutual dependencies.

(08:25:09):
We also have huge dependencies on China, also mutual dependencies. And we thought that these dependencies would prevent the other partner from political conflict or even military conflict. So Helmut Schmidt, a former chancellor here in the 1970s once said, if you trade with each other, you do not shoot at each other. And this is no longer true and this changes a lot. So basically is boiled down to that. So we have to look at the dependencies, we have to find out where our critical dependencies are, whether the company's efforts are enough, or whether state intervention is needed. Incentives or maybe even more with local production of French shoring is the better approach to take. And it's not easy because vested interests obviously come into play and say yes, we need subsidies for this and we need subsidies for that. And we open up basically the door for industrial policy and companies, business organizations, even policymakers to some extent, especially from our western neighboring country, pushed the door wide open, much wider open than we would like to have it here in Germany.

(08:26:25):
You might put it at that. And the economic security discussion. Well, it's also one because we would also support that we have to look closely at the involvement of foreign actors in our critical infrastructure. The Hamburg port is not as important as our 5G telecommunications network and as the electricity grid. So here you need distinctions, but we also have to look at the outbound investments. So how far do our companies contribute with their technologies when they go to China or other countries to enable these countries to become more capable? So this is a big issue. The G7 has a clear statement. The China strategy of the German government basically completely took over what the G7 said on that. We still have to figure out how to exactly do it. The US has gone ahead, we would like to know where you are going and we would like to bring our part in there.

(08:27:34):
So these are all issues that will change globalization and they have to be or these issues are needed. The level playing field is another one. You mentioned Ricardo, you can also use Ricardo the same model as Paul Jamison. Paul pointed out to show that if you have two large countries, China and the US, that are in the lead in technology and China catches up, then this can be to the overall disadvantage of us. So globalization might not always be a win-win play. And if a large actor like China subsidizes, then the likelihood that this model might reflect reality is not so farfetched. So level playing field is a big issue and we have to protect our market. You introduced many instruments for that and I see some benefit indeed in going forward and learning more with this anti-subsidy investigation that started learn even more about how China subsidizes because they do not only subsidize individual companies, they subsidize all across the value chain.

(08:28:46):
So it will be very, very difficult to measure and to pin it down. And the third point, sustainability, you're right, it's a goal in itself. But if our approach to French shore and to do more trade with others, others like India, Meso, Indonesia, and all the other countries, if our approach is the perfectly right approach to de-risk from China, but if our sustainability goals are top priority and we come to these countries and say, well you have to do it this way, then they might not shake hands with us, then we might not get a deal. So we have to maybe change our priorities because especially in the Euro ministry as it's led by the Green party and in the European parliament, sustainability is the first priority and this is not when we get to where we want to go. And I think this might be part of the discussion. Thanks very much.

Chris Hattingh (08:29:53):
Thank you. Thanks so much and good afternoon everyone. Chris Hattingh from the Center for Risk Analysis in South Africa. I suppose the easiest low-hanging fruit for me to pick up is this global south discussion reshoring foreign policy as well given South Africa's foreign policy choices of the last year asking whether we've set ourselves up well to benefit from reshoring or not. Arguably not given some of our closeness with countries like Russia and also with China in terms of building a more resilient globalization. I think there's an opportunity for countries to engage with South Africa in advocating for policies and ideas that help countries like South Africa take a more active role in their own trade developments. A sense of more ownership, more forward-thinking, more sustainable, and not just being a recipient for example, and not just being on the receiving end, but it being a sort of idea of reciprocity, best, that kind of thing.

(08:30:53):
South Africa in the past very much based its trade stance on exporting raw commodities, relying on those sorts of markets like China, like the EU upping its own manufacturing capacity. Where can the skills sharing happen, the education sharing where you can build that manufacturing capability more in a place like South Africa, the value add, that sort of thing to make sure it's a mutually beneficial trade setup or trade agreement across various areas. Something like South Africa's automotive industry is very important for job creation. One of the few industries in the country that has been growing in the last few years and helps contribute to our 1% G D P growth. When we get 1% we're quite happy. But in that industry, where can the technological advancements come from? Where for the EU for example with carbon emissions, putting a cap on the imports or banning the imports of ice of internal combustion engines, where can the technology sharing happen with EVs for example, and this whole supply chain moving those skills and transferring those to a place like South Africa. So there's low-hanging fruit I think for policy reform, for upping South Africa's growth potential and job creation potential that can and should happen. And in that way it's not a panacea, it's not going to solve, for example, what we've seen now that we should fall for the idea of trade will solve all things in terms of creating the right sort of values, ensuring that war doesn't happen. But it can at least build a more, it can build more resilient relationships in that way I think if it's done in a proper manner. Thank you.

Gunter Riek Moncayo (08:32:39):
I'll give it back to you later, don't worry. Yeah. Hello. Good evening everybody. My name is Rik, I'm here with K, your host here in Berlin. And in terms of the venue, I'm an economic and trade policy advisor within our internal think tank unit as you might call it. And yeah, I agree with most of the points that were said that a lot of things change dramatically the global orders moving away from a world based more towards a power-based order and some things changed for good other changes, maybe made developments that were there before just more visible. For example, the protectionism you mentioned, we have more and more protectionism. We have had this for decades and even when the times are
different than today, even when the rhetoric was more towards free trade, towards open market
towards corporation, even then we had a lot of protectionist measures.

(08:33:52):
I recall it was like eight or nine years ago when we were working a lot on TTIP, the transatlantic trade
investment partnership. It was you Jung who made the analysis for us and you analyzed how many
protectionist measures were introduced by the G20 countries since the financial crisis and we were all
talking about open markets, about free trade but doing the opposite. And yeah, as I mentioned some
changes are here for good. So we heard about the shifts in the agenda during the Trump administration,
but we also see that despite the change in administration, the assessment of the WTO from the US side
has not changed. So there are things that we must learn to cope with and the question that moves me
most in my work is where's the global trade order heading?

(08:35:02):
We heard something and we will certainly hear more about the question of fair competition about a
loving playing field and the difficulties of measuring subsidies. But yeah, at the same time we, yeah, we
need some more reciprocity. We also need maybe a new as Europeans also a new approach towards
trade agreements because in the past bilateral trade agreements also tended to have a protectionist
aspect have some disadvantages for the third parties outside of this agreement. And I still don't know
how we could shape these changes that are occurring right now. But this is something that I would really
like to discuss here on the panel and with the audience to see how we can enable the European Union
to achieve its own goal of strategic autonomy. Also in the area of trade policy, we heard about some
successes in the European trade policy, but I also see that there is a lot of work to be done that we are
not dealing with.

(08:36:44):
And I think it has to do with the fact that we try to solve every issue with trade policy. So every time we
have negotiations for a trade agreement say okay, now let's have a look at sustainability. Now let's have
a look at this and this and if we overpack the trade policy with all the problems that we have to solve
and I agree that all these goals are good goals, then a trade policy will eventually fail. And I don't see
how we as Europeans can be most successful on this side because, on the one side, we have this policy
that is directed to the outside. So we want to achieve strategic autonomy, we want to be able to act as a
rule, make not a rule take, but at the same time we also have to sell it back home and this is a difficult
situation that we are in. Yeah, maybe I leave it at that point and I'm sure we'll circle back to some of the
issues later in the discussion.

Zoltan Csefalvay (08:37:57):
Thank you very much. From Budapest, I have only four points. By definition, globalization is always a
hard sell because at the end of the day, everybody wins, but in the meantime, not everybody, that was
always the play in globalization. And there's also the political question, of how to deal with that, those
who are not always the linchpin of globalization. But as I mentioned, at the end of the day we are all
that second, just a few remarks on the issue of China and so on. It reminds me of the problem when we
look at the technological development of the first mover and the fast follower and China was successful
with the fast follower strategy. On the other hand, when we look there are the first movers and the first
followers, so those who move first should run more quickly. That is also a solution so that those who are
now at the technological forefront are more efficient and move forward in an effective way toward
more resilient globalization.

(08:39:20):
I'm a little bit, I have just one problem with that. In my understanding, resilience means that like a bamboo, when a storm is coming you are able to bounce back or create something new. So the question is, is it really a resilience question that there weren't many managed from war and COVID, and what happened with the supply chains and you come back to the original situation or where we created something new? I think that in that case, the adjective resilience is, I'm not sure that it's the correct term for it because it is rather to creating something new not back to the original situation. When you just take this metaphor of the bamboo, we have heard here reshoring, back shoring, home shoring, friend-shoring, and many other things. I think we should look at the statistics there is not a huge track back to the countries, and I missed one word, I come from a country in Central and Eastern Europe, I missed the word nearshoring central and Eastern Europe is also a place for that so that when there is attack coming back, I'm not sure what does it mean coming home or coming back.

(08:41:01):

There's also a possibility to stay not just back based in central and eastern Europe and to this issue with decarbonization and so on. We shouldn't forget two things. There is a switching cost, how to switch to them and those certainly who are the first mover in something, they have not so high switching cost as those who are doing later on. So we should consider also this cost and it is not just a switching cost, it's also the cost of time so that it's not just overnight. We can do that. Yeah, just your thank you.

**Marko Kovacevic (08:41:49):**

Hello everyone. My name is Marko Kovacevic, I'm a managing director of the Digital Supply Chain Institute in New York. We are a global organization focused on supply chain transformation. Most of our team members and the experts are business practitioners who have been leading large P and LSS globally in supply chains in various industries. So it's even more interesting for me and I'm grateful to the organizers for being here with you today because we don't come from the policymaking side. So if you come from a practitioner's side, listening to this kind of conversation is extremely important. And what I would like to underline, I think for next time, having more people from the business side, especially in the areas of your interest will completely enrich the conversation. Why? Because the synergy between the two is the key to resolving the problem we are talking about today.

(08:42:46):

And I will start with maybe a different approach towards it. I will start by challenging the topic we have today. So I don't feel that we can make more resilient globalization. I think we have been in the process of de-globalization in the last two years. So the only thing we can do is think about globalization 2.0 meaning re-imagining it and how I can correlate what I shared with something that is a business practice. Very simple. Up to two years ago global trade was driven by the markets from two years ago. Global trade is driven by geopolitics. So just understanding this simple notion clarifies that we are in the process of deglobalization. That's why we have the rise of protectionism which we see. This as well as looking from a business perspective is an ideal tool for working with the regulators in order to try to gain market shares in specific industries.

(08:43:53):

Very honestly, if we think business, that's how it goes. So the third thing also we found working with the largest enterprises in the world is that there is a third element that is changing everything and that's the commitment to the environment. So far the commitment to the environment is actually working mostly for our colleagues in the advisory sector, the companies who are writing the reports, it's a huge market now there are not that many very honestly who are having actions and activities which are measurable. So the key thing that will accelerate that will be the exchange of the data. Now we come to a notion which was mentioned that I love the word friend-shoring. So for me, it's just inventing a new word in a
segment because what's happening in the business, especially in the supply chain is that companies in the last 30 years had internal strategies, especially if you're a global player of leveraging offshoring nearshoring and onshoring.

(08:45:06):

So what changed today, is not that there is French shoring, the things which are changing in the company strategies is the percentage in between the three, the percentage was coming to what you said before and up to two years ago, mostly of offshoring because of a single point. Simple reason. The cost right now today cost is not the main implication. Why? Because the circumstances on the market changed after covid it's all driven by a customer today. And this is something we did a deep dive researching and it's the first time in the history of the world and in the history of trade that the expectation of the customer in B two C business to consumer and B two B business to business is completely the same. There is one simple reason why that reason was during the pandemic, your procurement manager who sits on a billion-dollar budget was on the left-hand side ordering on Amazon groceries and toys for his children and doing the same thing on the other screen for the company.

(08:46:19):

So there's no rocket science, there's no Nobel prize behind that. It's a simple life fact. We changed everything. And I'll try to close on let's say a note that can be inspirational. I'm a big fan of music, I love Queen as a band. There is a beautiful song by Queen that must go on. So trade must go on and it has been shown and I like always giving examples. There was recently just a great graph which came out I think a week ago that the exports from China imports, sorry, from China to us, have been exceeded by imports from Mexico. First time in history ever. But then when you deep dive into it, and that's why I'm saying trade will go on, the biggest implication in that number is actually re-export from China through Asian countries. So will things go on for business? They will. Will there be partnerships and alliances related to serving the customers? There will be. That's why once more urge you next time to have more business people here because synergy is important. We don't need two parallel stories. We need the stories to come together. We don't need new names and beautiful sentences or communication. We need action.

Syed Munir Khasru (08:47:48):

Thank you. So we have the next sponsor for the next G T I P summit. Next team left side. So you're covered, I mean no, I mean will try to push the boundaries a little bit and set into context some of the things in one way or another my distinguished panelists have mentioned so that the audience can also jump in. Let's rewind a little bit. Let's go before Covid. What was happening? Everybody knows a big chunk of the population has been dissolved by globalization, many felt left out. So all the big bang about shared prosperity and the world moving in different age stages to many people they were simply left out. And that led to a lot of complicated situations. We saw the rise of populist leaders, in Europe, Asia, and many parts of the world and that still continues. And that being left out has left very serious footprints.

(08:48:57):

We now see that footprints are reflected even when we talk about climate change. When we talk about energy transition, we start with energy transition, then we set just energy transition. Meaning while we transition from fossil fuels to renewables, there are a lot of people who will be left out of jobs. We have to make sure they still have bread on the table. So this whole gamut of globalization, trade liberalization, and to be fair, 1 billion people did come out of poverty during globalization. It's not to say a doomsday scenario, but in our enthusiasm, maybe over-optimism, we overlooked some of the systemic flaws. So
when we talk about resilient globalization, in my opinion, it's not sort of reinventing the wheels or old wine in a new bottle. It's about rethinking the whole gamut of thinking that has gone beyond mobilization. Is trade good? Yes. Has trade made people richer than before? Yes. Has it helped sort of elevate poverty? Yes, in many cases. Has trade been better than eight? Yes. The caveats, what are the things that did not go well? Look into the, then we came into the pandemic era and we had a huge search in digital platforms.

(08:50:23):
As we were coming out of the shadow of the pandemic, there was this big talk of reboot relaunch. When Indonesia was doing the G20 presidency, that was one of the biggest talks then came the Ukraine war. So we are back to square one. So all that impinges and things are so cross-functional. I'll give you a simple example. Trade actually has gone up in 2022 we had global jet surpassing more than $32 trillion. So trade is going up, this year is coming down. We have the Ukraine war. There are a lot of supply chain disruptions. We are aware and to make things even more complicated, we have this decoupling thing, the US-China rivalry and us trying to put its weight in trying to sort of urging many of its allies to move away from China. So then we have the rise of the middle power.

(08:51:15):
So we had the bricks done by South Africa, G20 done by India, next Gen 20 by Brazil, and expansion of bricks. So in recent human history, there has never been such a close interplay of politics, old alliances being reshaped into new alliances, technology changing the landscape even as we speak. There's AI, we don't know how it'll govern our future. There have been two international conferences, but we are still far from regulatory, too many things happening at the same time. So where does it put in trade innovation? It means there is more opportunity. But as you can see, many of my fellow panelists have a very rightly so have that cautious optimism that while there is more growth to be in the years to come and if we move to the post-Ukraine war, there has to be a bounce back. But we humans, historically have been more reactive than proactive.

(08:52:15):
That's in our nature. So when we say this whole gamut of rebooting or relaunching globalization, we have to take it beyond just corrective measures and add more positives, so we don't make the same mistakes of the past. So that's sort of hopefully, and of course, when we talk about trade, it'll be a hospital story. If we don't talk about the huge big issue we are facing with climate change, the green trade, the green growth, and the good news is the last few years manufacturing as a portion of trade has come down and environmental federal good services, digital good services gone up. So we are making good strides. Now with that context in mind, the way I would like to use you many of my time, I'll tap on the extremely good intellectual resources I have on my left-hand side. So I'll make it engaging and at the end, I promise you you'll have ample opportunity to interact with them.

(08:53:13):
So I don't want it to be a very typical sort of question-answer mode. I would like to see you engaged. So first I'll start with you, Chris. I mean you did mention Christian, I mean you did mention some of the things, but what I would be a little curious, say for example Germany, if I take the case of Germany, one of the leading economies, not only in Europe of the world and we have seen Germany in many instances have been having difficulty coming out of the woods of this deglobalization. And there's a new term called globalization, meaning people have been dissolved from open trade. And many people believe that going back to globalization is not an option. So taking Germany by example, how to navigate these complex territories and Germany historically has been deepened Russian oil, you're trying to cut it down, it's not that easy.
A significant portion. So you have energy, then you have the need for engagement with Asia and Germany also has been quite active with Africa. So how is Germany navigating this uncharted territory in terms of globalization? Germany’s an ardent supporter of globalization and free trade, but how do you see using Germany as an example as the way forward in the coming years? Well, thank you first of all. I think we have to see that Germany is highly dependent on international trade and international relations. We have a much higher dependency than others on our international trade relations. Looking at the energy sector, we have no real vast raw materials, we don’t have energy, we have to buy all this from others and frankly said we had a lot of benefits from that in their past. We were amongst one of the most open economies and we benefited from that.

Christian Forwick (08:55:07):
What are we doing today? Of course, we have to rethink our economic strategy. We are deeply integrated in the European Union, so we don’t do that alone. That is one issue. We do that together with the European Union. We have intensified our talks with the other member states. After the UK left, it became more difficult because the UK was always an ally of us. It’s now a little bit difficult. We don’t have everywhere allies in the EU, but we try to intensify this interchange in order to have a common position with regard to those outside the EU. Then we look at our trading parts, the most important trading partner for Germany outside, they use the US of course. And we intensified also this process. This was particularly difficult during the Trump administration because we never knew whom to talk with. They frequently changed people over there.

(08:56:07):
But it has become much more reliable now with the Biden administration, at least without changing the economic policy from the US side. I think it’s more or less protectionist as well. But we have more reliable partners and we intensified this and we intensified our relations with countries from the global south. Well, I dunno if the global south is the right expression there, but we look more deeply into Asia, into Latin America, and also to South Africa. We intensify all these relations and try to find a common approach to the threats we are all facing. And this is climate change you made, you mentioned climate change I think is one of the biggest things we all need to approach together and also from a commercial economic side. And the second one I will say again, it’s secure supply chains because if we can secure energy supply, we can secure medical supply then I see in our real progress, not only for Germany, not also for many of our partners.

Syed Munir Khasru (08:57:16):
So this is about finding partners and finding common solutions. And to my assessment where we are doing quite well in the negotiations we are doing right now, it’s much more intensified than two, three years ago. You want to go no finding partners, Jurgen pick you up on that. This finding partner has become another big issue. And one other thing, Jurgen is this whole gamut of supply chain disruption which has happened and to add to the complexities, this whole issue of trying to drift her from China and a lot of very open, I mean the US is trying to ask many of it allies and even Japan has given billions in funds to remove factories from China. So you have the world’s second-largest economy, and you have a very important trading partner with the EU, which is being geopolitically openly asked to be sort of I would say little distant than before.

(08:58:22):
So on the one hand we are talking about rebooting, we are talking about relaunching globalization on the other hand, I mean a one-party state, which has benefited enormously from globalization is a big
sort of push on the corner. So you have two opposite forces playing out at the same time. So how do we carve out the term we are saying resilient globalization when the second largest economy of the world is put in the dock? And in many ways, geopolitics is taking a heavy toll. So how do you see geopolitics playing out? Because these are two highly interconnected things.

Jurgen Matthes (08:59:00):
Yeah, indeed there will be no easy solutions that's clear and it will become more costly. That's basically what you said because offshoring safe costs and any other reshoring, French shoring, home shoring, whatever you might call it, will increase costs. And so it's a trade-off we have to play on. And we do a lot of analysis of Germany's dependency on China. Overall, you might be surprised that only 3% of German exports depend directly or indirectly on exporting to China. So it's not big on a totally economy scale, but when you look at individual firms, obviously it's larger than you are on the sales side. But what is most concerning for us and then we are again with the supply chain issues is that we have these huge dependencies on China on the import side and again not overall about two to 3% of the value added that goes into our final demand only comes from China.

(09:00:09):
So it's again, not much but raw materials, chemical-based products, electronic equipment and you name it in these fields we have huge dependencies in China. And the big question for me is can we rely on companies to de-risk here? We would very much go hand in hand in hand and first impulse and first instinct to say, well it's the task of companies to de-risk. But we're not sure. When we look at surveys, we see especially services on the question, will you continue sourcing with China? Will you do more or less? We get mixed answers. Some companies want to do less with China, some want to keep it the same, and others want to maybe even increase sourcing from China. So there might be a bigger role for government, but we still have to understand it. And maybe two brief remarks on what we had in the discussion before.

(09:01:08):
I think we should not talk about deglobalization. It's a bit of globalization as the economist pointed out because trade does not grow faster on average than world GDP, but it's not that globalization really retreats. We get a different globalization. French shoring, especially French shoring means you trade no longer as much with China but you trade within Indonesia and India. So basically you might even get more trade with a more diversified partnership. And the example you gave and the question the economist again raised, well if we want to de-risk from China, then we get, or if we want to limit direct links to China on the import side, then we get indirect links via Mexico. This is the example you pointed out again, it's not de-globalization a different globalization. And so also what you said, and this comes back to can we let companies do it alone?

(09:02:13):
Well if we want to build up raw material production here in Europe, and if we follow up on what the European Commission says that we want to have a kind of net zero industry act, it's a new initiative by the commission which basically says we need 40%, if I remember correctly, over until 2030 or something of renewables entity production here. So basically we start becoming like a planning economy as a side remark, but how can we manage? How can you, even if you want, question the correctness of the goal, but if you wanted to achieve that, if China remains the cheapest source of supply and you let customers decide you won't get risk, you won't get your own? And how should you make your production here somehow competitive? Either you push, you spend so much subsidies on that or you raise trade barriers. I don't see a solution for that. So again, two of your remarks are I think very relevant because
China will probably be the cheapest source of appliance in many fields. And so the big question is how can we de-risk them and how much can companies do it on their own?

Syed Munir Khasru  

I think you remind me of a cartoon many years back I saw in Time magazine. So there is this decision to remove from the White House anything made in China. So then they ended up with the whole White House being left with nothing more than a painting of George Washington 200 years back. So that's the problem. I mean what I would like to do next is Chris, you did mention South Africa and I think you're the right person to answer that this whole global south, the north-south continuum has been going on for some time and India in this particular year has stepped up and tried to be a credible voice of the global south, bringing in the frontline many issues like just energy transition, then bridging the digital divide. On the other hand, South Africa has its own geopolitics and because of very old historical links with Russia and China, one can feel a sense of allies there.

Chris Hattingh  

Now on the other hand, like any other middle powers, Brazil or India, South Africa, I'm using South Africa as an example. So how do you see in this whole gamut of the conversation we are having from Europe, we are talking about Germany, we are talking about the UK in Asia, we talk about India on the African side? How do you see South Africa leading the way given the fact we have seen the recent delegation that went to Russia, your president Ramzi was leading that assumed one of the leaders. So Africa is a continent that gets a lot of attention for legitimate reasons. So that would be a very interesting perspective to hear from you because we have heard a lot of stories about the Chinese gobbling up all the mines and all the dead traps and America and Europe trying to play the Catchup game. You're somebody straight right from the region. So I would like to have an inside-out perspective. How are you looking at this thing playing out, please?
So I think there's this, it's a very delicate dance that they're trying to implement if they're going to succeed or not that we'll have to see how it plays out. But at the moment I think the Ramaphosa administration wants to have its cake and eat it too, it doesn't want to be dictated to in its trade relationships, in what it should condemn, what it should not condemn, but it still wants those investments and whether they succeed in that, I think it's a pretty risky game, especially in the sort of global environment that's sort of the risk at the moment where you need to attract capital, you need to attract investment. If you want to get more than 1% growth, are you really sending the right sort of signals? I'm not sure about that. And then just domestically, the country has managed to put itself in a weaker position every time before these global events happen.

(09:08:15):
So before Covid and before the Russian invasion of Ukraine, the domestic policy choices put the country in a difficult position where it was forced to go and sort of ask for aid and investment in a weaker position than it could have if, for example, we had reliable electricity, if we just had the basics then we'd be in a stronger position from a trade perspective. And many African countries I think are in a similar position where they could set themselves up better in the long term. But that means doing the hard work of domestic policy reform.

Syed Munir Khasru (09:08:46):
No, I mean you said it's a risky game, so I'll take it to the risk sticker mark. I mean tell me, you mentioned that even about this particular gathering there is a need for more practitioners to be in touch and all that. Let's not give it a blunt question. I mean as a private sector entity, also a corporate house, and part of the global trade and all that towards more fair trade or globalization. Based on what has happened last 20, or 30 years, would you want to see more government or less community policymaking and why? More importantly why?

Marko Kovacevic (09:10:05):
You gave me a million-dollar question to resolve problems that are a hundred years old and more it's okay, let me again try to be as concrete as I can. I think we are entering a stage and that's why I mentioned re-imagining globalization, right? Starting from zero is where the synergy between the policymakers and business should be much closer. And here is the reason why as policy decision makers and legislators and the governments are led by the power of voters, businesses are led by the power of customers. I purposely don't use consumer, I don't like that word. So customers can be in many different ways, shapes, or forms and that's how it's driven. Now if we talk about building more resilient supply chains and then de-risking one very important thing, and I think the world woke up in the last two years and the new strategies have been implemented and that's good for everyone. The second thing where the legislator or policymakers can help is not only by creating the policy that will influence the supply side, but it's also by helping the demand side. Because we have seen, I was very intrigued with the Roche presentation today and how things were going down with the r and d and that's happening across the board, across the industries.

(09:11:10):
And why does that happen when your share price goes down or your markets where your customers are disappearing or changing? So where the businesses will need help is partly if they, let's say decouple and de-risk their supply chains. They need to have access to the demand. And today we don't have an alternative to that. I'm a big believer in the sub-Indian continent in Southeast Asia, but they're purchasing power is not on the purchasing power of China. So if you take customers from China, and
look at what happened to Apple just a few days ago when the Chinese government said no more iPhones in the Chinese government, do you know how much the market cap of Apple went down by 250 billion? That was one thing, one decision, right? So in that sense, where the policymakers can play is how we can unlock the other markets, and how the other economies that are developing can develop further.

(09:12:11):
Because without building customers there’s no happiness for anybody. We can create a super resilient supply chain, but if there’s no demand, why do we need supply? It’s so simple. We can change names, we can change policies. But that’s why I say this is why the stronger collaboration should be there. So it can go through tax incentives, it can go through incentives for r and d, it can go through help in setting up your operations in those of the emerging economies. So you can make partnerships for innovation or partnerships for certain segments of the industry where the countries are strong with the educational side, there are so many good universities in the developing countries, so this is where the synergy happens. But just resolving one side will so hard implicate the other side and what will happen, is we will take away power from our companies who are good. There are so many good German players who are losing in those markets. So they cannot win without the right partnerships globally. And then the support from the legislator, it’s a dance, right?

Syed Munir Khasru  (09:13:29):
Yeah, very businessman-like answer so long as it serves your interest. It’s not that way. I said synergy, I’m just pulling a leg. I mean I'll try to shift the wins a little bit. We know one of the things that we probably need to pay attention to. This whole gamut of innovation and how AI, blockchain, and 3D printing, everything is changing the landscape. And even as we speak from the education sector to the service sector, there’s a lot of optimism and legitimate concern. So going, I would like to ask you with Conrad and everything, how do you see this innovation and the new unleashing of new emerging technologies affect trade? And are we entering into a territory where we are unleashing a lot of genies out of the lamp without not really knowing where it'll lead? As you can see, even in America, about a month back, seven tech giant companies came to the White House agreeing to voluntarily share their AI development. On the other hand, Europe has moved fast forward in terms of AI regulation. So when we talk about trade, we cannot say that innovation is not playing a big role. And as I mentioned in my initial remarks, digital trade services have taken over manufactured goods. So how do see this interplay between innovation and trade, particularly given the fact technology is something that is always 10, 12 steps ahead of regulations, right? So how do blend that and what kind of challenges policymakers face very quickly then I'll go to the....

Gunter Riek Moncayo  (09:15:03):
Yeah, well we'll definitely have a lot of impact and for us in Germany, it's maybe even more challenging because we tend to be a society that likes to avoid risks and we see risks everywhere, especially in new technologies. So maybe we are a bit too cautious in terms of regulation and this can be an issue because if you look at the current trade pattern, what are the industries that generate the most added value in Germany, it’s the car manufacturers, it’s machinery and it’s the chemical industry. In Germany, we were very much concerned about the future of our automotive sector because we do not know if they can keep up with this technological change. And it is a really big issue because we need and just there's a very quick remark which also focuses on nearshoring, shoring, all this that will make trade more costly. We need, we are an aging society with a big welfare state and we want to manage the green transition. So we need a lot of money for this. So the question is at what point, how much additional cost can we actually afford a society? So this is why all these issues that you're opening, but we
Syed Munir Khasru (09:16:43):
Still, buy German cars. That's what I could tell you no matter what the price we'll buy. So

(09:16:50):
I mean Hungary is a country that keeps on coming to the surface. You were having this conversation last night dinner and thanks to you, you gave me a lot of interesting insights, which I never had. I mean Hungary has this connectivity-based economic model which it has in certain cases done very effectively. And you shared some insights with me last night at dinner. I would like to take this opportunity because, for political and other reasons, Hungary is one of the country's issues. As we talked about including the leadership. And you mentioned to me some of the things yesterday, which was very interesting to me on some economic fronts you particularly shared with me in terms of open market and tax structure, how Hungary has been very progressive. So can you share a little bit of insight so that the larger audience can benefit particularly how it impinges on the trade within the European Union and beyond? And after that, I'll go to the floor so that everybody can ask a question and we can have a lively round.

Yeah,

Zoltan Csefalvay (09:17:55):
Please. Thank you very much. I was just listening in the last half an hour and I calculated how many times people will say Hong the result was zero. So I think that nearshoring is something which should also be considered and under nearshoring, I see it in Europe, central and eastern Europe. But may I just reflect on what you said? I fully agree with what you said in this case except for one point I think it is not deglobalization, it is re-globalization. We can call it reinventing or something, but it is rather globalization or re-globalization. Could you maybe a better term I say why? Because globalization is always coupled with technological improvement. So technology development is one of the basics beyond globalization. I know that all these bet trade agreements and et cetera played a role. But to create a global market digital technologies were beyond. So that is what runs that now what is new is in this point that no technological development has some or coupled with some geopolitical consideration.

(09:19:16):
That is the new point. So when you look back in the past few decades, there hasn't been any geopolitical consideration, just technological development. We are running fast and so on and it has some good consequences. And I think that in that case globalization and the geopolitical considerations are beyond the question that who will dominate the signature technology or the most important technologies of this sanctuary. That is the name of the game anyway so that train and saw with many things and killing the customer side. So on all these, I think that is beyond the problem is we don't know which technology will be the vena for the next hundred years. Currently, we think it's AI, but it could be also robotics, the Internet of Things maybe, which is I think for a country in a high-interest country Germany is a quite different perspective. So what is new in that case? And we can say, okay, globalization, that globalization was always triggered and moved forward by technological development. Know that I'm beyond some geopolitical considerations. When I was asked that in that case in Hungary and what we discussed yesterday, many people forget that when you look at economic policy and also the economy is one of the most liberal economic regulations in the whole of Europe. I think I say just one point in Hungary, when you are unemployed, you are entitled to three months.

(09:21:16):
When we are talking about liberal and flexible labor market regulation in France, that is three years. And you can consider also the consequences in that case when you are entitled to be unemployed for three years, that means just the waste of human capital after one year because no member searches for new
jobs or when we see the corporate tax is the second lowest after I, which also have to invest for direct investment. But I don't want to promote a Hungarian policy in that case. It is rather an environment which makes it able to attract foreign direct investment. And just coming back to the idea that we discussed here, backing, shoring, et cetera can provide and then not just Hungary, but also the central and eastern European countries. Very good environment for nearshoring, which I just suggest to consider in this whole discussion about globalization, which is rather re-globalization I think in a way where we have additional no geopolitical considerations with a hope that or a guessing which technology will win in the future.

**Syed Munir Khasru (09:22:50):**

Well, there's a simple explanation for your Hungary-French comparison. Three months, three years they have more wine to drink. I mean you have to accept the hard reality. In any case, please, anybody is very welcome, would you please kindly please one request, please make it as short as possible, you can safely assume these guys know what they're talking about. So just go straight to the point you have to ask starting with you, please

**Audience Member (09:23:21):**

To Mr. Forwick, Martin Kraus from Argentina. I would like your view on different conclusions that may come out of the idea that if goods do not cross frontiers, armies will. The first one is, well it is right, because Russia didn't invade Germany, for example. The other would be no, it is wrong because most of the trade is carried out by only a few large companies trading energy and not. So the volume of trade is large, but the number of people doing the trade is small. So that doesn't develop the feeling of partnership and cooperation and friendship. What's your view on both? Thank you.

**Christian Forwick (09:24:16):**

Well, if I understood the question correctly, it's how to do a trade correctly if we have only a few traders and to make it beneficial for everybody. This is the question behind here because that's of course our aim, what we are trying to offer when expanding trade relations. We are trying to do this with the regulations and the free trade agreements we are offering in the case of Argentina, it's the Mercosur agreement to makes this beneficial for everybody. So this is a lot of chapters on new possibilities to really capture everything. Perhaps at this stage, I can share with you what I did last night because I spent my night in Leipzig. I was awake because I was at a D H L hub in the big airport in Leipzig, and there we could see a completely new form of trade rapidly developing.

**(09:25:17):**

Over the last years, we witnessed the expedition of more than 460,000 parcels in Leipzig coming from all over the world, including Argentina and Hong Kong, from other parts. All had to be put into different planes in 120 minutes and it was possible. And this is only the lower possibility of what they have there. They have days when they expand over 800,000 parcels in this hub. And this is only the beginning of a development. It's developing for three years. Only at this stage, five years ago, there was really nothing. Six years, 10 years ago there was only a greenfield there. So this is about e-commerce. We didn't touch about this, but this is a way we try to, get back to the question to address those free trade agreements to make them beneficial for everybody. And that's where customers are really those who are the driving forces behind trade and completely new developments. And I have to confess, I'm not sure what the German government was. I was there with the delegation to see what we can do about this because this is an amount of trade a development. We are not really sure how to deal with that from the government side, but it's developing. It's the future of globalization, of trade, what we've seen there
Syed Munir Khasru (09:26:50):
On the back. Yeah, please.

Audience Member (09:26:59):
Sorry, is it not? Yeah. Good afternoon. I'm Tan Kabi councilor political from the embassy of Bangladesh in Berlin. Simple question that I heard about French shoring from many of the panelists, but how do we define venturing, what are the parameters? Like the democratic values are different in different countries, and different parts of the world. So can we say that, okay, some countries comply with our values, for example, EU values, or some countries do not? Then I would say that there would be very few countries in the world that would conform to the EU values. Thanks a lot. I'd love to hear from you.

Jurgen Matthes (09:28:22):
Yeah, I think this is a very important question, especially for the discussion that we're having here in Germany. And I refer again to, well some people here in Germany who would hold the opinion that friends are only those who share our values in terms of democracy and labor standards and sustainability standards. And if we look at how many countries in the world are pure democracies, the circle of countries becomes pretty small. So I think coming back to what I said initially, that we are in a situation where geopolitics might escalate if we are not completely sure whether China will not invade Taiwan. And we would know with the trade connections that we have to China, that the impact would be severe. So if we are in this geopolitical arena, we should define friends much broader. We should define friends as, basically well from the German perspective, as how likely is it that if we come into a further escalating geopolitical conflict situation in the world, this country will continue to trade with us and it will not side with China or Russia. Simply answer that.

Syed Munir Khasru (09:29:28):
Do you want to ask something?

Audience Member (09:29:30):
Me? Yeah, thanks. I think the question that gentleman from Argentina asked I think is the fact that Russia invaded Ukraine doesn't negate the trade for peace hypothesis anyway. So if I could also sort of hear your views on that. See on trade the way globalization has been happening, and I like that sort of comment of re globalization, the way trade has happened in the morning, there was a comment on one instrument and one policy aim, one policy target. So if you look at trade and the way it's evolved earlier trade wasn't linked to anything. Trade was for the purpose of trade and that's how globalization evolved. Today, trade has been linked to all manner of issues, environment, and standards. The new age agreements are all about standards, not about tariffs at all. So trade gets linked. So you're trying to achieve an objective that trade is not supposed to achieve in a sense, and therefore it's beginning to create problems in the world.

(09:30:46):
Trade is not supposed to address inequality for inequality. They are domestic instruments that should address inequality. But trade has been made a victim of that inequality. My question is in this background, the question is that in these new age trade agreements that we are going to see that we are seeing happening, globalization will no longer be about simply tiffs. It'll be about values, it'll be about standards and whose standards will prevail. So I just wanted to sort of hear your views on that.
And the second sort of comment, third, really if you consider the first one, the third question, I like that argument about putting practitioners in the room. And I'll give you an example. I hope you don't extrapolate there to other countries. It's going to be very India-specific, but you need to have people in the room from policy, academics as well as practitioners because they're the ones who influence. But I think the problem in India, we've seen when we get practitioners into the room, all they ask for is subsidies. I want tax holidays, I want subsidies, otherwise, we'll crumble. So it's a good idea to get them into the room, but the clammer for subsidies becomes so intense that it doesn't serve any positive purpose. But I see the point that you're, I just wanted to see what reactions would come from, let's say environments like Germany or yeah,

**Christian Forwick (09:32:23):**
Perhaps we give around the microphone, but very shortly on trade and values. I think there's a clear answer to that, but very short. I think trade is attached to values. That's true. But what kind of values prevail? Because we don't want, for example, trade related to forced labor. We don't want to consume products that are produced with forced labor. I think nobody of our consumers want that and they expect the governments to take care of it. The same goes for environmental damages. We don't want to consume here while knowing that this kind of trade damages the environment, so there is no trade as such. It's attached to values. But what values prevail in free trade agreements? And this is the question we have to negotiate. We're discussing this currently with MEO countries. We have made a proposal, and they have made a counter-proposal. There is a certain red line.

**(09:33:17):**
What countries, especially developing countries, don't accept when it comes, for example to sanctions. If we go to a point where we say, if you don't respect these values, we want to sanction you. We want to take back the commercial advantages we gave you before. This is not acceptable in my view, and this is the answer we get from these countries, but perhaps it answers a little bit of the question. I think that nobody thinks that trade is such not only trade but not has nothing to do with values. This is a past way to look at a trade nowadays. Everybody we talk to looks at it differently.

**Jurgen Matthes (09:34:00):**
Maybe briefly because you pick up on what I said. I think we have to take a measured approach to that. And some parts of the policy arena here in Germany and in Europe, do not take a measured approach to that because the thinking in the green or green policy arena in the civil society arena is, well, we have a large market here in Europe. We are attractive as a trading partner. So let us use our market power in order to convince those countries that our values in whatever respects are better. And so we enshrined these values into our trade agreements and some want even that this is to be sanctioned and this is the wrong approach because trade is for trade, trade is about tariffs and trade is only in so far about values as you can talk with the trading partner. How can we together get better along with all those values that are attached to trade? But this is of second or third order. It is important, but it's not of first order.

**Marko Kovacevic (09:35:10):**
Can I just one minute? Less than one minute. So why it's important, I fully agree with you that a lot of companies will talk about just incentives, but you can turn the tables around if you have a vision, if you have a set agenda where there is another way how things can be improved, it should be introduced in the meeting. It was mentioned this morning, that R&D and innovation and any kind of support in that, getting more employment in the countries who are near-shore locations. Bingo, right? So it's not only about giving the tax because that's that money. If you don't put that money into function, nothing
happens. So there are multiple ways, but that comes through a dialogue rather than just simple, straightforward.

**Syed Munir Khasru**
I'm sure had we had that opportunity, I mean we would've loved the discussion, but Hubertus is giving me a lot of browbeating. So I have a dinner still to attend, so I don't want to risk that. So no, I think you'll agree. It has been a very enlightening session and I'm very grateful to my panelists. I have to do the least, just speak the least. That's the rule I love. One more question.

**Audience Member (09:36:22):**
Sorry, one more question.

**Syed Munir Khasru (09:36:24):**
I would give that with you're the only lady and nobody in the panel, so at least you definitely deserve an exception. Yeah, please go ahead.

**Audience Member (09:36:31):**
Thank you. Thank you so much, Syed. I'm from the Jordan Strategy Forum.

**Syed Munir Khasru (09:36:40):**
Okay. Okay. Please go ahead.

**Audience Member (09:36:41):**
Actually, my question was already perhaps raised earlier as I was thinking that the e-commerce was not really, the potential of e-commerce was not really unleashed as it should be. And maybe in this discussion, in this panel discussion, we didn't talk about it. Especially now that there is more trading happening in a different type of structure, customer to customer, and even there are more platforms that are preparing the customer to be traders, the potential is really high. That all depends on the markets and how conservative countries are protected policies within the countries and so on. So I just wanted to say these comments where we need to really explore more about this issue.

**Syed Munir Khasru (09:37:36):**
I'm glad you mentioned, and if I may add, you'll be very pleased to hear that brings me to when I was co-chairing the task force G20 digital transformation, one of the very remarkable things that we found out, and it was not only me, I had been joined by the head of digital transformation from World Bank Asia development, Google Meta, and you'll be very pleased to know in this whole e-commerce platform how women have completely leapfrogged and went ahead of men and done amazing jobs and they have cut down the middleman, whether it's a homemaker selling homemade cakes and pastries or very successful entrepreneur hiring thousands of people. Definitely. I mean, because that's the reason you need more gender balance in the panel. So next time, Steven, make sure there are more women in the, so we tried very hard. We should have gone to him first. Actually, no, we actually tried to get to (09:38:44):
The usual suspect. No, coming with, it's a very, I'm glad that you raised it and you'll be very pleased to know, even going by statistics women at a remarkable job and more so from where you're coming
Middle East and also South Asia. So absolutely thumbs up and I'm glad you raised it. So absolutely. Again, I would've loved to carry on this conversation, but many of you must be sort of thinking I'm holding you back from dinner, which I don't want to do. So would you be kind enough to join me to give it all my plus the wonderful panelists I have had and the privilege to leave them? And of course, you can have informal interaction later on. No problem. Thank you. Thank you.