PARTICIPANTS

- Experts from G20 countries: Turkey, China, Argentina, US, UK, Germany, Canada, Russia, Indonesia, South Africa.
- Experts from think tanks of Bangladesh, Singapore and Nepal.
- Experts from Indian think tanks with expertise in foreign relations from Mumbai, Delhi, Bangalore, etc.
- Officials from Mumbai-based financial institutions such as Reserve Bank of India (RBI), Bombay Stock Exchange (BSE) and EXIM Bank, and think tanks such as Tata Institute of Social Sciences (TISS)
- Corporate executives from Indian business groups such as Tata Sons, Mahindra, CII.
- Diplomats and consular corps representing the G20 troika countries – China, Germany, Argentina.

KEYNOTE SESSION HIGHLIGHTS

- **Yonov Frederick Agah, Deputy Director General, WTO** explained that developing countries have benefitted from a rules-based multilateral trading architecture and that they must jointly lobby to retain the open global trading architecture. Trade and investment are now inseparable. Investment can be brought into the WTO agenda if members wish.
- **Ambassador Neelam Deo** explained that the political imperative across the world today is job creation. And that has turned the political gaze inward. She urged the think-tank community to process the emerging global political realities into functional economic frameworks by making appropriate policy recommendations.
- **Dennis Snower, President of the Kiel Institute for the World Economy,** explained that Germany’s G20 priorities are determined by three pillars – Economic prosperity, environmental viability and social inclusiveness. Therefore, we need policies for building resilience, assuming responsibility, improving sustainability. Since we live in an inter-connected world, national identities must find a way to affiliate with a global identity.
- **Ambassador Gurjit Singh** suggested that India and Germany can help each other meet their goals for G20. India can help with the outreach to Africa whereas Germany can help with financing through their programs focused on Asia.
- **Consul General Morhard (Germany)** urged the think tanks to realize the spirit of the G20 by building consensus between developed and emerging markets on issues of global economic governance.

ROUNDTABLE HIGHLIGHTS

**Global Financial Markets and Regulation Session**

**Views from the floor:**

- Each country must consider the cross-border implications of monetary policy and financial regulations before introducing domestic regulations.
- Legal argument for protecting the wrong-doings of ratings agencies is problematic. Few have been punished so far in the West for the trans-Atlantic financial crisis. This is unfair and dangerous.
- China’s shadow banking market and Japan’s debt market is likely to be the source of the next crisis.
- The inter-connectedness between financial and commodity markets is unnerving. Efforts to de-link physical markets with the financial markets have not been given priority.
- Banks should be discouraged from using internal risk models to avoid regulatory arbitrage.
- Current narrative on globalization is based on politics and not on economic evidence of job losses.
Recommendations from the floor:

- Strengthen the Financial Stability Board. Empower it as a treaty-based fourth pillar of global economic governance.
- Create a smaller network of big economic powers within the G20 such as US, EU, China and India could be made to design global rules since other countries do not have the capacity to engage.
- Ensure that the cost of compliance of global financial regulations is less than then the cost of non-compliance. Financial regulations should be tailor-made depending on the potential for systemic risk.
- Restore credibility of the globally referenced institutions and benchmarks (e.g. LIBOR, BRENT)
- Revise agenda of global standard-setting bodies to reflect the priorities of emerging markets
- Ratify the long-standing IMF reforms that ensure greater role and responsibility of the emerging markets.

Digital Economy Session

Views from the floor:

- Too many cyber-regulations being crafted and imposed on businesses. Compliance with cyber-regulations has become like a checklist instead of comprehensive, long-term, thoughtful planning.
- India is a net importer of technology and net exporter of data so cyber-crime prosecution is difficult.

Recommendations from the floor:

- Develop algorithms to assess credit-worthiness of unbanked/rural clients. Fin-tech companies can help push financial inclusion this way.
- Develop framework to share cyber-breaches with government and other agencies. Otherwise, companies will be reluctant to share the information.
- Digital infrastructure should be treated as critical infrastructure. Redundancies have to be built to protect the network and central databases against natural disasters, terrorist attacks and cyber-attacks.
- Develop an agreement for protecting critical infrastructure. Credibility of the digital economy depends on the uninterrupted operation of the critical infrastructure and critical business systems.

Green Economy Session

Views from the floor:

- $5-7 trillion are required for meeting India’s green energy demands. The $100 billion multilateral banks are too small to meet this challenge. Neither can banks service this requirement given the NPAs.
- Government wants to depend on private sector to fund infrastructure but private sector is unlikely to step in if government is not involved to make the plan viable financially and operationally.

Recommendations from the floor:

- Channel investments towards decentralized, retail green infrastructure projects (e.g. rooftop solar). That is how telecom achieved scale and financing quickly in India. Multilaterals should finance loans to consumers directly.
- Use modular manufacturing (e.g. like LEGO) for building infrastructure which allows speedy construction of LNG supply chain infrastructure.
- Develop databases to hold data on green energy to enable better assessment and planning.
- Design a “Green Basel” standard that encourages flows towards green infrastructure. Create parameters to assess what constitutes green economy. Social impact parameters must be included.

Trade and Investment Session

Views from the floor:

- The new rules under consideration by the mega-regional trade agreements, TPP and TTIP were a real threat to the global trading architecture (e.g. use of private standards, rules against state-owned and public sector enterprises)
Global Value Chains now control more than 50% of the trade. Without a good business environment, TFA in Services and alignment with foreign standards, developing countries will not be able to plug into the global supply chains, especially as most GVCs are controlled by western multinationals.

WTO was losing relevance and credibility but election of Donald Trump and Brexit has renewed hope that multilateral rules for global trade will be required more now than ever.

Net benefit of free trade agreements has been under question for a long time given its negative pressure on currencies and inequality.

Recommendations from the floor:

- Focus on trade in services. Rules for effectively promoting and governing trade in services have been sidelined at the WTO and other regional arrangements for many decades. Now, both developed and emerging countries have a strong services industry, fostered by digitization, start-ups, and a renewed focus on quality jobs and local economic growth. India has already submitted a concept note for TFA in services.
- Invest in digital infrastructure instead of transport corridor. It is likely to create more jobs.

**INDIA’S FEEDBACK INTO THE T20 PROCESS AND SUMMIT – BERLIN, MAY 2017**

Gateway House will submit a paper to the T20 coordinators with recommendations from the meeting. Gateway House has been invited to the think tank summit in Berlin, preceding the G20 leaders’ summit to present our findings in May 2017.

**WEBSITE**

http://www.gatewayhouse.in/t20mumbai/

**PHOTOS**