

CREATING A SHARED FUTURE IN A FRACTURED WORLD



REFLECTIONS FROM WORLD ECONOMIC FORUM ANNUAL MEETING 2018 (DAVOS – SWITZERLAND)



S.U.Khan Associates
Corporate & Legal Consultants



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The World Economic Forum has in-fact evolved into a global platform for business, government and civil society, where they all come together to shape global, regional and industry agendas. It provides an opportunity to take advantage of the platform, not only to bring you together, but to catalyze actions from shared ideas.



WORLD ECONOMIC FORUM

As the globalization is replacing the traditional business aptitudes, it is necessary to apprise oneself with the international happenings. Keeping this in view, Mr. Saifullah Khan, Managing Partner - S.U.Khan Associates Corporate & Legal Consultants, attended the World Economic Forum Annual Meeting – 2018.

World Economic Forum An Introduction

The World Economic Forum (WEF) was established as a not-for-profit foundation in Geneva, Switzerland, in 1971 by the renowned academic Professor Klaus Schwab. The organization aims to improve the world through public-private cooperation by engaging the leaders from government, business, international organizations, academia and civil society to discuss challenges related to the global, regional, and industry agendas.

Not tied to any special interests, the forum strives to demonstrate entrepreneurship in the global public interest while upholding the highest standards of governance. Through meetings, the WEF gives participants best opportunity to discuss global issues. The forum has built world-class research capabilities, producing cutting-edge data on some of the world's most significant issues like competitiveness, gender parity, global information technology, data responsibility, health, energy, environmental risk, sustainable peace, diversity, human rights, science, taxation and many more.

WEF Annual Meeting 2018

WEF annual meeting 2018 was held at Davos-Klosters, Switzerland during 23-26 January 2018. The meeting was attended by around 3,000 delegates from over 120 countries of which 900 were chief executives or company chairs and more than 70 were world leaders. The programs, initiatives and projects of the meeting were focused on creating a shared future.

Pakistan's delegation led by **Prime Minister Mr. Shahid Khaqan Abbasi** also attended

meeting with 10 more delegates including Ms. Anusha Rehman Khan (Minister for State of Information Technology and Telecommunication), Ms. Saira Afzal Tarrar (Minister for National Health Services), Khawaja Muhammad Asif (Minister for Foreign Affairs) and Ms. Marriyum Aurangzeb (Minister for Information Broadcasting and National Heritage).

Apart from the delegation, Mr. Bilawal Bhutto Zardari (Chairman, Pakistan People's Party) also attended the meeting.



Release of Inclusive Development Index 2018

The World Economic Forum has developed a new matrix of national economic performance as an alternative to GDP that also focuses on the living standards of the people and future proofing of economies i.e. **Inclusive Development Index**.

The 'Inclusive Development Index' released on January 22, 2018 shows that economies were prioritizing policies that support shorter growth over inclusion and sustainability, despite concerns about social

inequality. Rankings of 103 countries show which ones have the best combined performance on growth and development, Inclusion, intergenerational equity and sustainability.

Pakistan

was ranked at 47th place



In the new world,
it is not the big fish
which eats the
small fish, it's the
fast fish which
eats the **slow fish**

Klaus Schwab
Founder and Executive Chairman
World Economic Forum

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IMPROVING THE STATE
OF THE WORLD

The Inclusive Development Index 2018

among the emerging economies on this Index comparing to its earlier position of 52nd. India ranks at 62nd while China is at 26th position.

The Theme

The theme for 2018 WEF Annual Meeting in Davos was **"Creating a Shared Future in a Fractured World"** with the threats of climate change, secession and workplace automation dominating the major discussions.

WEF believes that the fractures are present in many spheres of life including:

- Politically, governance is being transformed by new and contending strategic narratives.

- Economically, policies are being formulated to preserve the singular benefits of global integration while limiting its shared obligations.

- Socially, citizens yearn for responsive leadership that addresses local and national concerns; yet, a shared identity and collective purpose remain elusive despite living in an age of social networks."



Key Takeaways

The aim of the meetings was to set an agenda that drives greater multi-stakeholder collaboration to address political, economic and societal challenges of our times. Following are the key takeaways from WEF 2018:

Data Sanctity / Security

As the data is known to be the digital currency of the 21st century, there were serious questions on profiling, targeting, privacy, surveillance and authenticity of data.

The use of the prime resource of the 21st century is becoming ever more complex as its power is more fully understood. We may not have had a full-on "data tanker" spill yet, but the threats of "data leakage" were top of mind at many of the sessions, and in many conversations, from which the "Davos consensus" really emerges.

It can be summed up from the discussions that the world's grip of the gavel was strengthening and that there was a growing acknowledgment – among every attendee, that establishing "rules of the road" for the information superhighway was inevitable and, in truth, probably long overdue.

The Future is Man + Machine

Technology was at the center of a lot of debates this year. But the emphasis is much more on the future of work and what technological change means for society. Discussions were made about developments in Artificial Intelligence (AI) and Robotics that could impact industry, governments and society in the future, and design innovative governance models that ensure that their benefits are maximized and the associated risks kept under control. AI and intelligent machines are proliferating into nearly every industry. At WEF, it was clear that global



leaders recognize the role that governments, educational institutions, companies, and individuals will each play in shaping a shared future in the age of man + machine. Technology isn't slowing down — it's now a matter of learning how best to oversee its integration into the world as we know it.

The United Arab Emirates (UAE) delegation announced that the UAE government will co-launch and host a center for the “fourth industrial revolution” with the WEF.

The new center will provide technical support to government authorities in

the field of transforming **“industrial revolution principles into real applications”**.

UAE government ministers spoke at WEF at a forum titled

“Pioneering the Future of Governance in the Arab World.”

UAE Minister of State for Artificial Intelligence Omar bin Sultan Al Olama said during the talk the regional plan for artificial intelligence was to ensure that no jobs were replaced by AI, and that there are no autonomous weapons created using AI.

The discussions were made about increasing desire for non-tech companies to collaborate with the established tech giants and win the race to be seen as the “tech leader” in their own industry. Central to this is the adoption of AI by firms across all sectors, with all that entails for workforce planning and, as many session titles at Davos frame it “the future of work”.



The regulatory push is coming most aggressively from Europe, however, adds a huge layer of complexity to the leading-edge tech arms race.

The world has started acknowledging that “Whoever leads in Artificial Intelligence will rule the world.”

Numerous speakers pointed out at different events that none, of the leading tech companies that are now the leading companies in the world, are European.

China @ Davos

Speaking of China, the continuing rise of Chinese companies like Alibaba and Tencent, the growing assertiveness of its political leadership and its obvious economic strength was, the talk of the town.

China was represented at the 2018 World Economic Forum in Davos, Switzerland by Liu He, an influential economic adviser to President Xi Jinping.

China had a significant presence in WEF 2018 while its Belt and Road initiative was featured as a key theme in a

number of panel discussions including those attended by Pakistani delegates.

Whatever China’s trajectory over the next few years and decades, its role on the international stage will become more and more prominent, and Davos, as the ultimate international stage, will no doubt see more and more evidence of this in the years to come.

Investing in IT up-skilling

The challenges brought about by information technology are to educate a skilled workforce when technology evolves so quickly, and how to effectively

pass down skills from experienced staff to new recruits before the former reach retirement.

‘Reskilling’ was probably one of the most commonly used words at Davos this year, and with good reason. It’s the key to stemming possible economic ramifications of automation, as well as the key to addressing skills shortages in the global market.

Towards a Reskilling Revolution: The Future of Jobs was published on the first day of the Annual Meeting, a comprehensive guide to what kind of jobs could fall into obsolescence and how workers can most efficiently reskill to suit the shifting needs of the economy and





keep their jobs.

Accenture launched its own report at the WEF Annual Meeting, Reworking the Revolution, which estimates that AI could boost business revenues by 38pc in the next five years if business leaders “reimagine the nature of work today”.

Diversity

Diversity is the buzzword of the moment. Various discussions were made on gender diversity, and it was said that without gender diversity, companies will fail. Ensuring a diverse workforce remains one of the world's most pressing issues. At this year's event,

WEF itself took a notable — if not largely symbolic — step forward by appointing women to all seven of the summit's co-chair positions. Women make up 21% of Davos participants this year.

At Davos 2018, Jack Ma, Alibaba Founder, and Executive

Chairman, attributed the success of his company to women in their senior management. With 37% of their senior management led by women, the Alibaba CEO found that gender balance is the key to running a company with care and wisdom.

Shaping the Future of Environment and Natural Resource Security

The WEF's own global risks perception survey showed that people see climate change-related issues — such as extreme weather events and natural disasters — as amongst the most pressing problems facing our planet. During the meeting, sustainability and climate change featured in many





discussions, from the need for businesses to be more transparent on the risks they face from climate change, to how extreme weather events are proving more devastating and expensive than ever before.

French President Emmanuel Macron promised to shut all coal-fired power stations in France by 2021, while Klaus Schwab, the WEF's founder and executive chairman, highlighted the need for civil society, businesses and governments to work together to create solutions for this global challenge.

It's encouraging that climate change remains a priority for most global leaders, but we need to set more ambitious targets and move faster to reduce our carbon emissions if we're to keep climate change at manageable levels.

Pakistan's Delegation in Davos

Addressing to the news conference in Davos, **Prime Minister Shahid Khaqan Abbasi** said that the engagements at World Economic Forum will help to generate business potentials in Pakistan. The government is working for bright future for the nation. Pakistan has

engaged various business leaders, company heads of telecom, automotive technology and health care sectors at WEF.

Commenting on **CHINA PAKISTAN ECONOMIC CORRIDOR (CPEC)**, he said that Pakistan is working to promote connectivity among the countries of the region and across the world as well.

On the invitation of DG WTO, Minister IT Ms. Anusha Rehman, while speaking on Roundtable on the sidelines of WEF highlighted Pakistan's initiatives taken to promote the Information and Communications Technology (ICT) across the country.



All the good reasons to attend WEF Annual Meeting 2019

The WEF describes its mission as "improving the state of the world". At the annual conference, delegates listen to speeches, panel discussions and take part in seminars, there are also unofficial and informal events that take place around the WEF in the resorts of various luxury hotels. A great deal of earnest discussion on recurrent themes such as inequality, poverty, innovation, technological change, the environment, and corporate social responsibility is made every year.



But the reality is that many CEOs are not there for talks on "inclusivity" or "mindfulness" but because it is a golden networking opportunity.

A great deal of that networking takes place in private meeting rooms in the main conference centre and in parties and hotel rooms of the luxury hotels in the resort.



The value of the Davos visit has very little to do with the "themes" of the conference, instead the value is the ability to efficiently conduct global business. Davos is now primarily a huge, high level business conference, in which senior executives from the world's largest companies take advantage of their physical proximity to meet in person with partners and clients and would-be-clients meetings that can end up being vastly more valuable than the cost of travelling to Davos.

**Global
Risks
Report**

**The 5 risks that will have the
biggest impact in the next 10
years**

	rank
Weapons of mass destruction	1
Extreme weather events	2
Natural disasters	3
Failure of climate change mitigation & adaptation	4
Water crises	5

Source: Global Risks Perception Survey 2017-2018, World Economic Forum

Executives from multinationals meet with hundreds of their clients in a span of 3 to 4 days and also sponsor the events and the conference with a view that branding and association is helpful and there is nowhere else in the world where they can organize so many high-level meetings into so little time with such efficient travel.

Indian Prime Minister Narendra Modi led the largest Indian contingent of over 100 delegates to Switzerland during this year's four-day annual meeting. Modi told the world that India is ready to reap the benefits of its reforms process, and that foreign investors can also become a part of this process through

investment in India. India hosted the welcome reception at the WEF annual gathering with ministers, business leaders and celebrities in attendance including Bollywood star Shahrukh Khan.

With the involvement of Private sector in a number of panel discussions about science, technology, engineering, mathematics, research, responsible leadership, sustainable operations, industrial revolutions, production, ecommerce data issues and other areas that may impact their businesses, entrepreneurs may learn to adapt to the changing dynamics of business now-a-days.

In today's era of transformative scientific and technological advances businesses are not only creating new products and services, they are reshaping industries, blurring geographical boundaries and challenging existing regulatory frameworks. At the same time, citizens increasingly expect the private





sector to take on new responsibilities for developing new approaches to the governance of advanced technologies. Hence, it is considered as a responsibility of the business executives to proactively write policies for emerging digital industries and address ethical issues. A new concept of agile governance is being discussed on international level including WEF to address these issues.

Obviously, one cannot and should not wait to see the external forces affecting business operations and performance. Rather, being aware of what is being happened and even projecting what may happen in the business world is necessary and

the only option to remain in market. Therefore, WEF is the platform that brings together decision-makers from across society to work on projects and initiatives that make a real difference. The WEF does not organize conferences but hold

meetings – to give each participant as much context and opportunity for engagement as possible over the long term.

Suggested Way forward for Pakistani Businesses from S.U.Khan Associates

The world leaders and heads of world leading companies, all, have consensus that future lies in automation and artificial intelligence, skills development to cope with technological advancement and for that rules/regulations are now inevitable and thus there is daring need for entrepreneurs in Pakistan to focus and pay attention to such emerging global trends and to adopt responsive



measures so as Pakistan businesses are well able to compete globally.

The local businesses here at Pakistan should keep a watch on best practices world-wide adopted to meet challenges of technology and skills-set required in the near future to become compatible in global trade in goods and services.

“Public-Private” Cooperation is, a global known and workable phenomenon, however, private sector is to take lead to initiate a dialogue with Government

with respect to policy making and then preparation of a legal frame-work that is conducive enough for private sector to ultimately enhance its share in global trade, and on the other hand assist Government to improve its ranking in ‘Inclusive Development Index’ – new coming national economic performance matrix.

Based upon personal experience, it is strongly recommended that private sector from Pakistan should enhance its participation in the coming 2019 Annual meeting at the WEF to

learn and keep an eye on global emerging business needs, besides having a one window opportunity for networking. We would be pleased to assist our clients in planning and scheduling pre-arranged meetings with participating delegates having mutual areas of interest. Specific session(s) may be planned and organized with targeted audience and pre-selected economic and business issues concerning Pakistan’s goods and services, diversification, merger, buyouts, joint ventures and collaborations etc.



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