



NEWSLETTER

The latest news from EU-GCC project

WORLD
ECONOMIC
FORUM

THE
GREAT
RESET

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Editorial

As we sourced content for this edition of the newsletter, a key topic that emerged was the World Economic Forum discussions that took place virtually between 25th and 29th January on the post-pandemic world economy. This event was organized under the theme of "The Great Reset" with a focus on a future based on the importance of digitization structured by a robust legal framework as highlighted by EU Commission President Ursula von der Leyen in her Forum speech.

Ms. Von der Leyen called the world to agree on a new rulebook for the digital market emphasising that the Commission had already launched the "Digital Services Act" and a "Digital Markets Act" in December. Although digitisation is inevitable and is and will continue to have a great impact on globalization particularly during the Pandemic when face to face interaction is severely limited, it must be tempered by the protection of data and privacy, respect for human rights and pluralism as well as inclusion.

Europe stands ready to balance the advantages of digitisation with respect for the rights of individuals and EU citizens.

Leyla Ben H'mida - EU GCC Dialogue on Economic Diversification Project 30th of January 2021



Participation of Ursula von der Leyen, President of the European Commission, at the Davos Agenda Week

European Commission President, Ursula von der Leyen, gave a special address to Davos Agenda Week. She spoke about issues from climate change to big tech and the impact of COVID-19.

To view the video, click on the image on the left.

To read the whole speech click on the link below.

https://ec.europa.eu/commission/presscorner/detail/en/speech_21_221



The Digital Services Act package

The Digital Services Act and Digital Markets Act encompass a single set of new rules applicable across the whole EU. They will create a safer and more open digital space, with European values at its centre.

As part of the European Digital Strategy, Shaping Europe's Digital Future, it was announced that the European Commission would upgrade the rules governing digital services in the EU. The European Commission proposed two legislative initiatives: the Digital Services Act (DSA) and the Digital Markets Act (DMA).

The DSA and DMA have two main goals:

1. to create a safer digital space in which the fundamental rights of all users of digital services are protected
2. to establish a level playing field to foster innovation, growth, and competitiveness, both in the European Single Market and globally.



What are Digital Services?

Digital services include a large category of online services, from simple websites to internet infrastructure services and online platforms. The rules specified in the DSA primarily concern online intermediaries and platforms. For example, online marketplaces, social networks, content-sharing platforms, app stores as well as online travel and accommodation platforms. The Digital Markets Act includes rules that govern gatekeeper online platforms. Gatekeeper platforms are digital platforms with a systemic role in the internal market that function as bottlenecks between businesses and consumers for important digital services. Some of these services are also covered in the Digital Services Act, but for different reasons and with different types of provisions.

Why do we need new rules?

The rapid and widespread development of digital services has been at the heart of the digital changes that impact our lives. Many new ways to communicate, shop or access information online have appeared, and they are constantly evolving. We need to ensure that European legislation evolves with them. Online platforms have created significant benefits for consumers and innovation, and helped the European Union's internal market become more efficient. They have also facilitated cross-border trading within and outside the Union. This has opened new opportunities to a variety of European businesses and traders by facilitating their expansion and access to new markets. While there is a broad consensus on the benefits of this transformation, the problems arising have numerous consequences for our society and economy. A core concern is the trade and exchange of illegal goods, services and content online. Online services are also being misused by manipulative algorithmic systems to amplify the spread of disinformation and for other harmful purposes. These new challenges and the way platforms address them have a significant impact on fundamental rights online. Despite a range of targeted, sector-specific interventions at EU-level, there are still significant

gaps and legal burdens to address. The accelerating digitalisation of society and the economy has created a situation where a few large platforms control important ecosystems in the digital economy. They have emerged as gatekeepers in digital markets, with the power to act as private rule-makers. These rules, however, sometimes result in unfair conditions for businesses using these platforms and less choice for consumers.

With these developments in mind, the European Single Market requires a modern legal framework that ensures the safety of users online, establishes governance with the protection of fundamental rights at its forefront, and maintains fair and open online platform environment.

What was the process up to now and how were stakeholders involved?

The Commission consulted a wide range of stakeholders in preparation of this legislative package. These stakeholders included, inter alia, the private sector, users of digital services, civil society organisations, national authorities, academia, the technical community, international organisations and the general public. An array of complementary consultation steps were also carried out to fully capture stakeholder views on issues related to digital services and platforms. This summer, the Commission consulted stakeholders to further support its work in this area. The evidence was used to identify specific issues that may require EU-level intervention in the context of the DSA and the DMA. European and non-European citizens and organisations were welcome to contribute to this consultation. money laundering.

Source: <https://ec.europa.eu/digital-single-market/en/digital-services-act-package>

For more Information:

https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/digital-services-act-ensuring-safe-and-accountable-online-environment_en

https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/digital-markets-act-ensuring-fair-and-open-digital-markets_en



Implementing Stakeholder Capitalism in the Middle East and North Africa

With a projected contraction of 5.2% of GDP in the Middle East and North Africa in 2020, the twin shocks of the COVID-19 pandemic and declining oil prices risk hampering economic progress. At the same time, [accelerated digitization in the region has the potential to unlock new opportunities](#) and counterbalance these economic downturns.

This session looks at the policies, practices and partnerships needed to implement stakeholder capitalism in the region and fully harness the potential of the Fourth Industrial Revolution.

Taking a step back and being agile have been key approaches to how the UAE is handling the COVID-19 crisis, said **Abdulla Bin Touq**; Minister of Economy, Ministry of Economy of the **United Arab Emirates**.

He listed the ways that the UAE was able to respond quickly, partly through the policies and regulation that was already in place. These include being proactive with distance learning, so they could implement it immediately when the pandemic disrupted education; supporting business continuity; and increasing collaboration between stakeholders in the public and private sector.



Mindset shift

Henadi Al Saleh, Chair of the Board of Directors, Agility, said a cultural and mindset shift is needed to move towards a more inclusive approach to addressing the principles of stakeholder capitalism. The twin shocks of oil prices and COVID-19 are taking their toll. Medium and long-term recovery calls for a change, because it can't be business as usual.

Structural reforms are an opportunity to harness government and business collaboration.

It's critical the private sector is involved throughout, and the good news is we're seeing progressive reform across the region, she added.

Private sector can help SMEs scale up through things like mentorship and plugging them into the supply chain. With access to finance, SMEs can create millions of jobs.



Death of cash

COVID is spelling the death of cash in the region, said **Khalid Humaidan**, CEO Bahrain Economic Development Board. The adoption of e-payments and digital banking has accelerated three-fold during COVID-19.

"We laid the groundwork many years ago which enabled us to cope and mitigate the effects of [the pandemic]."

With cashless payments, there will be more data, and analysis, and government can target policies to people who need them most.



4IR technologies key

Our humanity has never been more tested than now, said **Abdulla Bin Touq**. The UAE is working with the World Economic Forum's Centre for the Fourth Industrial Revolution to harness the latest technologies to help support the recovery.

He says with the centre, they are experimenting with innovation and technology.

Anas Alfaris, President, King Abdulaziz City for Science and Technology (KACST) said there's no secret the Kingdom of Saudi Arabia wants to be a technology hub.

A new strategy will focus on partnering with innovative and disruptive companies around the world, to serve as a catalyst to create new industries in the future.

The Kingdom has been investing heavily in digital infrastructure, and it is working to become a global leader in data-driven strategies and AI technologies.

They also are working with the Forum's 4IR Centre to innovate.



For more information: <https://www.weforum.org/events/the-davos-agenda-2021>



Strengthening the Financial and Monetary System

Governments have responded aggressively to the impacts of COVID-19 by providing fiscal and monetary support, and loosening regulatory requirements for financial institutions. This Leadership Panel assessed the health of the financial system, identified potential risks resulting from pandemic response measures, and reflected on how industries and governments can work together to make financial institutions more resilient.

The panellists included: **Mohammed Al-Jadaan**, Minister of Finance, Economy and Planning, Saudi Arabia, **Ana Botin**, Group Executive Chairman, Banco Santander SA, **Thomas Buberl**, Chief Executive Officer, AXA SA, **Yi Gang**, Governor, The People's Bank of China, and **Roula Khalaf**, Editor, The Financial Times.

"It's like the magic money tree," Roula Khalaf quipped about the expansive stimulus measures being delivered to alleviate the damaging effects of the pandemic.

Yi Gang said efforts in China are focussed on facilitating the country's continued transition to a more consumption-based economy. He cited some warning signs during the health crisis, and added that "we will not exit from supporting policies pre-maturity."

Ana Botin cited the historic efforts made by the EU and the European Central Bank to combat the effects of the pandemic with stimulus and support (the ECB announced a €750 billion Pandemic Emergency Purchase Programme last March).

"Europe is going to do this together, it's the only way," she said.

Mohammed Al-Jadaan noted that Saudi Arabia took over the G20 presidency on the eve of the pandemic. He said the world's wealthiest countries could do more to help others. "I'd like to see debt reduction, I'd like to see debt forgiveness," he said, albeit without risking too much disruption. He warned that if wealthy countries are aggressively pushed into debt forgiveness, it's possible "they won't be making money available next time."



The panel also discussed disruptions now faced by many banks not just as a result of digitalization, but also as central banks take on a more active role in the allocation of credit during the crisis. Thomas Buberl warned that this should be an "exception" rather than the rule, as should the "magic money tree" dynamic of government stimulus.

He warned of repercussions resulting from removing "the natural selection mechanism from markets."

Sticking with the theme of exception versus normality, in closing Roula Khalaf said she's hopeful that "we are going to return to some form of normality in the coming months."

For more information: <https://www.weforum.org/events/the-davos-agenda-2021>



For more information, the editorial team suggests the links below:

European Union

<https://www.consilium.europa.eu/en/press/press-releases/?Page=1>

<https://ec.europa.eu/trade/trade-policy-and-you/publications/news-archive/>

Gulf Wide

<http://www.gdnonline.com/>

<http://gulfbusiness.com/>

<https://www.arabianbusiness.com/gcc>

Bahrain

<http://www.newsofbahrain.com/>

<http://www.bna.bh/en/index.aspx>

KSA

<http://www.arabnews.com/>

<http://saudigazette.com.sa/>

<https://www.spa.gov.sa/?lang=en>

Kuwait

<http://www.arabtimesonline.com/news/>

<http://news.kuwaittimes.net/website/>

<https://www.kuna.net.kw/Default.aspx?language=en>

Oman

<https://timesofoman.com/>

<http://www.omanobserver.om/>

<https://www.muscatdaily.com/>

https://www.omannews.gov.om/ona_eng/#/home

UAE

<https://www.khaleejtimes.com/>

<https://gulfnnews.com/>

<https://www.thenational.ae/>

<http://wam.ae/en>

Qatar

<https://www.qatarday.com/news-category/local>

<https://www.qatarliving.com/news>

<https://www.gulf-times.com/>

<https://www.thepeninsulaqatar.com/>



EU-GCC Dialogue on Economic Diversification

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As always, we welcome your feedback on the topics and sectors that interest you most and you would like to see covered in future editions of the newsletter.

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