

Disruptions should be an enabler for global growth: Seetharaman

The Doha Bank CEO was delivering a key note address at an event in Munich

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DOHA Bank CEO Dr R Seetharaman recently took part in events organised by the EU Business School in Switzerland's Geneva and Germany's Munich.

Delivering a key note address on the topic "Global Disruptions and Opportunities" in Munich, Seetharaman said the disruptions such as technology and trade should be an enabler for sustainable global growth.

Giving insight on global economies, he said, "Global growth is expected to be at 3.9 percent in 2018. Advanced economies are projected to grow at 2.5 percent in 2018. Growth in emerging market

and developing economies is expected to increase to 4.9 percent in 2018. Global flows of foreign direct investment (FDI) fell by 16 percent in 2017 to an estimated \$1.52 trillion."

The FDI investment in sectors that can contribute to the sustainable development goals is still badly needed, he said.

Promoting FDI for sustainable development remains a challenge. Global levels of corporate and sovereign debt represented a risk. Global public and private debt swelled to 225 percent of global gross domestic product in 2016.

"The surge in oil prices, rise in US bond yields, strengthening of US dollar and trade divergence talks are some of the key developments impacting



Doha Bank CEO Dr R Seetharaman speaks at an event in Munich recently.

global economies," Seetharaman pointed out.

Highlighting on the trade divergence developments, he said, "In response to recent US actions, Mexico swiftly imposed tariffs on US steel imports, as well as bourbon, apples and potatoes, ranging from between 15 percent and 25 percent.

"The European Commission followed suit, confirming that it would be "rebalancing" import tariffs on US-made products into Europe in response to the sanctions, which will impact €2.8 billion of US imports into the EU."

Dr. R. Seetharaman gave insight on technology devel-

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opments. He said, "The fourth industrial revolution combines advanced technologies in innovative ways, dramatically reshaping the way people live, work and relate to one another.

"Various industries are getting redefined, the health sector can be reimaged, the work space is undergoing changes, robotics and artificial intelligence are going to play important roles and the customer will be more empowered in the digital

environment.

"We are witnessing smart cities development across the globe. Investment in such cities look at characteristics of cities, capital requirements for various initiatives, and the decision-making process."

Seetharaman said the structure of the payments and retail banking market is breaking up.

"An open banking model is emerging up. Open banking enables third parties to develop new products and services through use of APIs. Accelerating digital ecosystem development could lead to cashless economies. Block chain technologies are used in remittances, clearance and settlement systems and trade finance."

On sustainable development, Seetharaman said, "China emerged as the biggest emitter of carbon emissions, US was the second, the EU and

India were third and fourth biggest emitter respectively. Global carbon dioxide emissions surged to record levels in 2017 after the landmark 2016 Paris climate agreement was signed and a thrust is needed on sustainable development."

Sustainable finance refers to any form of financial service integrating environmental and social into the business or investment decisions for the lasting benefit of both clients and society at large and contribute to green economies.

He said, "The 17 sustainable development goals not just cover climate change but extends to areas such as health, education, infrastructure etc. Institutions should explore the concept of sustainable finance to other sustainable development goals based on their willingness and risk appetite to participate in financing such areas.