



## **B20 Digital Economy & Industry 4.0 Task Force – Summary of the first draft of recommendations**

**For presentation at the B20 Forum in the framework of the SPIEF**

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The B20 is an integral part of the G20 process, representing the entire G20 business community. The mission of the B20 is to support the G20 through consolidated representation of interests, expertise, and concrete policy proposals. This document presents recommendations of the B20 Digital Economy & Industry 4.0 Task Force developed under the Argentinian B20 presidency in 2018.

The digital economy and Industry 4.0 permeate all aspects of society, including the way people interact, the economic landscape, the skills needed to get a job, and political decision-making. Rapid technological innovation is an enabler of millions of businesses in every sector to reach more clients and consumers, hire more people, manage their operations more efficiently, and reach new markets abroad.

All this creates jobs and opportunities but it can also bring challenges: when it is not broadly shared, people may feel left behind, especially at a time when jobs are changing. The way government and business leaders respond to these challenges will shape the way the global economy works for everyone. In this paper, the B20 - representing the global business community - present their common understanding and view on how selected key topics can be addressed by the G20 leaders.

### **Recommendation 1: Help workforce develop the necessary digital skills**

By 2020, 30% of tech jobs will be unfilled owing to digital talent shortfalls. Hence, it is essential that G20 governments commit to increasing investment in science, innovation and education in digital skills to prepare the workforce for the future. Governments should **understand the current and future digital skills gap with reliable, substantiated and regularly updated forecasts on demands of jobs and competencies**. Next, **governments should minimize the skills gap in the future by investing in digital education programs**. Additionally, the global digital transformation can serve as a powerful economic catalyst for the economic empowerment and inclusion of women and girls.

While skills of new graduates are important, most of the workforce consists of people who finished formal education some time ago. **Existing workforce therefore should be supported in their re- and upskilling efforts** through social protection measures and policy initiatives that reduce barriers to training and encourage employers to provide training.

### **Recommendation 2: Promote global connectivity & infrastructure development**

As connectivity is a prerequisite for digitalization, a strong digital economy and the development of Industry 4.0, B20 calls for **promotion of global connectivity & infrastructure development**. To achieve this, G20 governments should foster market environment that encourages telecommunication companies make long-term investments in ICT infrastructure and promote broad spectrum usage. To encourage demand, governments should facilitate access to devices, avoid unnecessary regulation of internet content, services and applications and foster relevant contents in local languages to engage people and raise

awareness. Governments should also promote global connectivity standards and align cybersecurity baseline frameworks across sectors and geographies.

### **Recommendation 3: Foster the development and uptake of Industry 4.0 technologies**

After steam power in the nineteenth century, electricity in the twentieth and large-scale computerization in the 1970s, industry is facing a fourth revolution that will have, at least as profound an impact on productivity as the previous ones did. In order to participate fully and equally in the advantages Industry 4.0 brings, G20 members should set the correct incentives for companies to develop and use Industry 4.0 technologies to boost industrial productivity by **fostering best practices and use cases sharing, enabling collaboration between public and private institutions, and encouraging innovation.**

Industry 4.0 requires an unprecedented degree of system integration. It will involve networking and integration of several different companies and systems through value networks. B20 therefore **encourages development of international standards and definitions for Industry 4.0 technologies.**

G20 should use public funding to accelerate development of Industry 4.0 technologies and motivate sustainable private financing. Public funding of fundamental research to help business monetize R&D outcomes is one instrument to achieve this. A focus should also be the effective engagement of MSMEs. This includes awareness-raising, improving access to finance, supporting regional clusters and partnerships.

### **Recommendation 4: Enable digital trade and international data flows**

Digital trade has become an engine of economic growth for large and small businesses around the world. The growth of data flows is only set to explode further, e.g. with the Internet of Things, 3-D printing, Industry 4.0 and machine-to-machine communications. By 2025, cross-border data flows could be worth US\$20tn. However, some countries have taken steps to limit the cross-border flow of information, such as data localization requirements and discriminatory digital tax measures. These measures threaten the ability of small businesses to use digital tools and services to reach a global audience. G20 governments should facilitate increased digital trade by accelerating capacity building, encouraging implementation of robust, future-proof, common and nondiscriminatory e-commerce-related policies; removing existing market access barriers, and strengthening the rules of the road for digital trade through trade negotiations.

### **Recommendation 5: Support innovation in Financial Technology**

New digital technologies are changing the way companies deliver financial services and improve traditional methods to promote financial inclusion. G20 governments should adopt flexible policy frameworks that enable financial technology services by players from different sectors, create a valid digital identity, and foster the development of enabling architecture and common standards and facilitate access to information and financing to FinTechs.