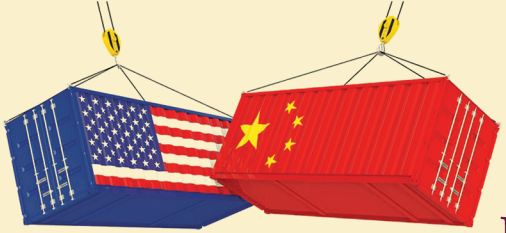

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THE HARBINGER BUSINESS SUMMIT: 2018-19 CHAPTER

A DEPT. OF BBA - LOYOLA ACADEMY ENTERPRISE

On 03 & 04 August 2018
@ Inigo Hall, Loyola Academy
Old Alwal, Secunderabad, 500010

One week after Donald Trump's inauguration, with fears of a trade war spiking, the Economist published a cover story, "The Retreat of the Global Company," in which it proclaimed that "the biggest business idea of the past three decades is in deep trouble" and that "the advantages of scale and…arbitrage have worn away." Those fears materialized in April this year, when the United States unveiled plans for tariffs on steel and aluminium imports from key allies and countries such as China. Later, the US followed it up with a proposal to impose punitive tariffs targeting $ 50 billion worth of Chinese exports. China responded by imposing its own tariffs on US goods and warned that it was ready to take further reciprocal measures if the US carried on with its protectionist policy. The EU and other America's key allies expressed severe discontent and pledged retaliatory action. The United States, once a champion of 'liberalized global trade,' has now become one of the staunchest proponents of protectionism in the facade of being 'unfairly treated' by allies and trade partners.

The GDP of the United States - exceeds $ 20 trillion this year. That is greater than the total GDP of the next five countries combined. More importantly, the US economy is vital for holding the current framework of globalization and world trade in place. Nevertheless, the current US administration has made it clear that 'Pax Americana' and the American-led world order in trade has come to an abrupt end.

The first annual Harbinger Business Summit: 2018-19 Chapter, a two-day summit, being organized by the dept. of BBA - Loyola Academy, aims at capturing and exploring the consequences of this 'watershed moment' in history. The summit is a two-day event, themed:

"Globalization Post Pax Americana: The Culmination of the American-led World Order in Trade"

The two-day summit is a confluence of the industry and the academia on issues concerning the theme. Day 1 of the summit will focus on the macroeconomic situation world over in the event of a trade war. Day 2 will emphasize on the incidence of a trade war on global companies.

Broader Themes

Incidence (of a Trade War) On America's Key Trading Partners

According to 2016 World Bank figures, global exports make up 29 percent of global gross domestic product. Exports account for roughly 20 percent of China's GDP, 26 percent of Russia's, 42 percent of South Korea's, 31 percent of Canada's and 38 percent of Mexico's. By comparison, exports make up 12 percent of U.S. GDP. This means that the decline in exports has less impact on the United States than on most other countries.

Incidence on the Indian Economy

India has a current account deficit dependent on external capital inflows for financing, a vulnerability in such times. India could also risk corporate bankruptcies as an outcome of these trade wars. Indian companies could get squeezed between two extremes. On one hand, prices of inputs will go up due to higher import costs.

Incidence on Global Companies

Companies across multiple industries and nations involved in the trade war are expected to be affected by the growing number of tariffs that the US has placed on other countries and retaliatory tariffs that have been levied against the US. Companies like Apple and Walmart will be caught in the crossfire. Both companies have a substantial base in China — 10 percent of Walmart's business is in China, as is 20 percent of Apple's. Harley-Davidson plans to move part of its production for Europe-bound bikes to international facilities. The company estimates the increase in trade tariffs to increase costs significantly.

Incidence on Global Investor Wealth

The prospects of a global trade war and the escalating tensions between the US and China have taken center stage and can render a significant impact on markets. In the latest fund manager survey carried out by Bank of America Merrill Lynch, 38% of fund managers said the trade war was the biggest 'tail risk' (the risk or probability of rare events).

Incidence on Macroeconomic Variables

The economic consequence of a trade war cannot be discounted. A full-blown trade war could also cost the global economy $ 470 billion, according to Bloomberg Economics. Global trade could be adversely impacted by falling 3.7 percent lower by 2020 compared with the baseline scenario. Meanwhile, central bankers are leaning toward faster pace of interest rate hikes even as trade war poses risk.

SUMMIT PROCEEDINGS

Day 1: WTO Ministerial Conference Simulation	Day 2: The Harbinger Case Competition
• The WTO Ministerial Conference Simulation is a one-day simulation of WTO Ministerial Conference negotiations. • The Ministerial Conference negotiations will feature 25 countries. Delegate teams from various colleges in the city can choose countries of their choice upon registration. Rules of Procedure for the WTO Ministerial Conference will be passed on to delegate teams upon registration. • The simulation aims at providing a unique opportunity for future decision makers to experience the debates of the WTO Ministerial Conference, while being theme-bound.	• The Harbinger Case Competition is a business case competition on Global Companies in lieu with the imminent trade war. • The case competition aims at testing the participants' ability to develop innovative, real-world business solutions. The case provides background about an organization and outlines a set of pressing business issues that senior management needs to address. Supporting data and other associated information such as annual reports, financial data, and market research studies will also be provided as references. • Cases and other details concerning the competition will be provided upon registration.

GENERAL RULES: REGISTRATION PROCESS

Registration Fee: Rs. 150/- Delegate **Last Date of Confirmation: 25 July 2018**

- WTO Ministerial Conference Simulation: Delegate teams of 2-4 each. Maximum of one team per institution.
- The Harbinger Case Competition: Participant teams of two each. Maximum of one team per institution.
- There is no separate registration fee for each event. Participants must register individually for the summit by paying a registration fee of Rs. 150/- on the days of the summit.
- The last date of confirming participation and enrolling for the aforementioned events is 25 July 2018.
- On confirmation of participation and subsequent enrolment, delegate teams will receive the 'Rules of Procedure' of the WTO Ministerial Conference Simulation and can select countries of their choice from the list. Selection of countries will be on a first come, first served basis. Thus, early enrolment has its own advantages.
- Similarly, upon confirmation of participation and subsequent enrolment, participant teams for The Harbinger Case Competition will receive case details of 5 global companies (from which they can select any 'one' case) and instructions concerning the competition.

"Exciting Cash Prizes Await the Best Performers. All the Best! Enrol Early."

For Confirming Participation/Enrolment: Call/WhatsApp Mr. George – 9603897661, Email: loyolanbba@gmail.com

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About 'The Harbinger'

The Harbinger is a Think Tank under the aegis of the Dept. of BBA – LA, which concerns itself in researching and promoting Classical Liberal viewpoints about capitalism, globalization, the global macro-economic business scenario, global companies & global investors, the free-market economy, business philosophy, public policy, the political economy, renewable energy and the environment. The Harbinger is also an open publication that aims to equip its readers/member-participants with requisite information on key issues of relevance to the global business community and to help them capture the diversity of the global business frontier.