



International Chamber of Commerce
The world business organization

Business and the global economy

*ICC statement
on behalf of world business
to the Heads of State
and Government attending
the Evian Summit,
1-3 June 2003*

International Chamber of Commerce

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Business and the Global Economy

The International Chamber of Commerce (ICC), the world business organization, is pleased to submit this statement to the Heads of State and Government attending the G8 Summit in Evian, France (1-3 June 2003). This statement addresses several key issues of particular concern to world business, with the focus on promoting the interests of developing countries. However, our key message, now that the war in Iraq is over, is to urge governments to put their divisions behind them and commit themselves to renewed multilateral cooperation for the vital purposes of rebuilding business and consumer confidence and reinvigorating a weak global economy.

1. Trade policy in the year of Cancún

*WTO a central pillar
of international
cooperation*

World business believes strongly that the rules-based multilateral trading system, managed through the World Trade Organization (WTO), is one of the central pillars of international cooperation. It has contributed enormously to liberalizing world trade and improving market access, and is a major driving force for global economic growth, job creation, and wider consumer choice.

*ICC welcomes new
trade negotiations...*

ICC warmly welcomed the intergovernmental agreement in Doha in November 2001 to launch a major new round of trade negotiations. We also acknowledge the considerable work that has since taken place in Geneva on most of the negotiating agenda agreed to at Doha.

*but fears progress to
date is inadequate*

However, we are concerned that progress so far has not been as rapid and substantial as it ought to be if the WTO Ministerial Conference scheduled for September this year in Cancún is to propel the negotiations to a successful conclusion by the end of 2004, as mandated at Doha. Business believes that meeting agreed deadlines – including intermediate deadlines – is important in maintaining confidence in the negotiating process and to signal to investors, traders and consumers that, in the face of geopolitical volatility and a fragile world economy, governments from all continents are able to work together to strengthen trade and investment links between nations.

*Need for strong
G8 leadership*

ICC calls upon the world leaders meeting at Evian to commit to ensuring that the Cancún Ministerial will live up to expectations and fulfil the role allotted to it in the progress of the Doha round. We look to them to send a clear message and to give strong political backing, at the highest level, to negotiations that will lead to a successful conclusion of the trade agenda outlined in the Doha ministerial declaration.

*Priority must be
the concerns of
developing countries*

ICC firmly believes that the Doha negotiations must address as a priority the interests and concerns of developing countries. The primary goal must be to improve substantially their access to developed country markets, and especially for products in which they possess a competitive advantage. This will require difficult reforms and adjustments in certain sectors of the economies of developed countries. But it will have a vital bearing on the ability of poor countries to lift themselves out of poverty by their own efforts and earn a better living in the global economy.

*WTO Cancún
meeting must
finalize Doha
agenda*

ICC urges WTO member governments to reach agreement in Cancún in September to finalize the negotiating agenda of the Doha round to include the key issues of investment, trade facilitation, and government procurement. The overall objective of the Cancún meeting should be to achieve consensus on clear and forward-looking decisions that lay the foundations for achieving, by the end of 2004, a balanced result that all WTO members can subscribe to. If Cancún is to meet that objective, governments must demonstrate within the months immediately ahead the necessary political will and negotiating flexibility.

2. Business in society

*Wealth creation is
key to environmental
and social progress*

The primary function of business is to create wealth and value for its customers, shareholders, employees and society at large. Today, this role of private enterprise in a market economy and the positive contribution of entrepreneurial initiative to environmental and social progress are increasingly recognized worldwide. Wealth generation and economic growth are the foundations of the capacity of business to contribute effectively to improved environmental and social conditions.

*Corporate
responsibility is a
voluntary commitment
going beyond legal
requirements*

Corporate responsibility is a voluntary commitment by a business to go beyond what is legally required to manage all its activities – social, environmental and economic – in a responsible manner. For that to be effective and relevant, ICC urges each business to address its specific circumstances, including its internal structure, industry sector, employees, customers, suppliers and communities.

*Good corporate
practice is spread
more effectively by
peer pressure than
prescription*

History has shown that improvements in human rights and in labour and environmental standards are more readily attainable in conditions of rising prosperity, produced by the interaction of the market economy and good governance. And good corporate practice is spread more effectively by example, persuasion and peer pressure – rather than by prescriptive government codes and regulations.

Companies should not be asked to assume responsibilities that are properly those of governments

Against this background, ICC wishes to express its concern that companies are increasingly being pressured to assume responsibilities that go beyond what they are qualified to carry out. Businesses risk being asked to perform what are properly the functions of governments. In addition, business is worried by the growing tendency for voluntary initiatives in the corporate social responsibility field to become mandatory in practice. ICC urges the G8 leaders to uphold the voluntary nature of corporate responsibility initiatives; and to recognize that the greatest contribution companies can make to economic, social and environmental progress is to carry out efficiently their primary function of creating wealth and productive employment.

3. Technology, investment and development

Look to technology for solutions

World business believes that cross-border flows of trade, investment, technology and managerial skills are vital in enabling all countries – but developing countries in particular – to integrate themselves into the world economy and share in the benefits of globalization. Globalization provides both an opportunity and a reward. Technological advances have been a key driving force in the history of human progress – and we believe the world must look increasingly to technology for solutions to current problems in such areas as water, energy, agriculture and health.

IT and biotech in the cause of economic development

Progress in communications and information technologies continues to open up a huge potential for improving economic efficiency through electronic commercial transactions and offers an important tool for furthering economic development. In parallel, new technologies in agriculture, biotechnology and health care hold out the promise of dramatic improvements in human nutrition and treatment of diseases.

Base risk assessment on sound science and reasonable caution

Business recognizes that there are genuine and legitimate concerns about some new technologies – especially on health and safety grounds – that must be addressed with candour and transparency. ICC urges governments – and especially those represented at Evian – to work with business to ensure an informed public debate with the emphasis on risk assessment based on sound scientific enquiry and reasonable caution. We strongly urge the G8 countries in their efforts to promote an agreed international approach to health and safety standards and regulatory requirements to facilitate the global diffusion of new technologies and reduce the potential for trade conflicts.

The conditions for technological progress

Technological breakthroughs do not just happen – and neither do cross-border transfers of technology. They are the products of conditions that are conducive to scientific research, innovation, entrepreneurship and investment.

<i>Raise investment in poor countries</i>	ICC is currently working on a programme that focuses on improving the enabling environment for developing countries – and in particular the least developed countries – to attract foreign capital as well as mobilize domestic savings for productive investment. Of particular importance are the removal of impediments to entrepreneurship and the promotion of good governance.
<i>ICC provides business leadership in development initiatives</i>	In pursuit of these goals, ICC has cooperated with the UN to create a practical mechanism in the shape of an Investment Advisory Council (IAC) that brings together chief executive officers of companies from around the world and government leaders from least developed countries. We have also contributed to the New Partnership for Africa's Development (NEPAD) initiative – following the backing it was given by the G8 Kananaskis Summit – by assembling the NEPAD Business Group that is encouraging African governments to set up business advisory councils to consult with the private sector. Finally, ICC has taken the lead in providing business input into the UN's World Summit on the Information Society scheduled for later this year which we believe will be a watershed event in raising awareness of the potential of information and communications technologies to promote economic and social development.

4. Security and an open world economy

<i>New security measures must not slow down world trade</i>	World business fully understands the need in today's world for heightened security requirements governing the movement of goods across borders. At the same time, it urges that security measures are designed so as not to slow down international commercial flows that are vital for economic growth and development.
<i>Business needs global security standards that minimize costs</i>	Business, which has an intricate knowledge of modern international supply chain management and customs practices, calls upon governments to work with it to ensure that security measures are cost-effective and pose the minimum of hindrance to international trade. In particular, we urge close cooperation in developing, through existing intergovernmental organizations, global security regulations and standards aimed at uniformity, simplicity and ease of deployment from country to country.
<i>Business can help governments with technology and management skills</i>	ICC believes that efficient, least-intrusive solutions to new security problems can be found through the application of modern technology and the management expertise possessed by business. It hopes that governments will consult with business every step of the way in designing measures to improve security in the cross-border movement of goods, and particularly at the conceptual stage.

The International Chamber of Commerce

ICC is the world business organization, the only representative body that speaks with authority on behalf of enterprises from all sectors in every part of the world.

ICC promotes an open international trade and investment system and the market economy. Its conviction that trade is a powerful force for peace and prosperity dates from the organization's origins early in the 20th century. The small group of far-sighted business leaders who founded ICC called themselves "the merchants of peace".

Because its member companies and associations are themselves engaged in international business, ICC has unrivalled authority in making rules that govern the conduct of business across borders. Although these rules are voluntary, they are observed in countless thousands of transactions every day and have become part of the fabric of international trade.

ICC also provides essential services, foremost among them the ICC International Court of Arbitration, the world's leading arbitral institution.

Within a year of the creation of the United Nations, ICC was granted consultative status at the highest level with the UN and its specialized agencies.

Business leaders and experts drawn from the ICC membership establish the business stance on broad issues of trade and investment policy as well as on vital technical and sectoral subjects. These include financial services, information technologies, telecommunications, marketing ethics, the environment, transportation, competition law and intellectual property, among others.

ICC was founded in 1919. Today it groups thousands of member companies and associations from over 140 countries. National committees in the world's major capitals coordinate with their membership to address the concerns of the business community and to convey to their governments the business views formulated by ICC.



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