



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 St. Petersburg Summit,
15-17 July 2006*

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 at St. Petersburg, Russia (15-17 July 2006). The statement focuses on three issues of crucial importance to world business at the current time.

1. Global energy security

Energy security a major concern for business

ICC welcomes the inclusion of global energy security on the agenda of the St. Petersburg Summit at the initiative of host nation Russia. This is a logical next step after the Gleneagles Summit whose focus was on climate change and clean energy. In the past few years, energy policy and security have become among the foremost preoccupations of the world business community.

Business and energy: a mutual dependence

Business companies of all sizes and in all parts of the world depend on energy. The business community's central role in discovering, producing, delivering and utilizing energy makes it a critical partner in addressing the challenges of access, security and sustainability. Access to reliable and affordable energy provides the basis for heat, light, mobility, communications and productive capacity in modern society. Yet billions lack access to modern energy services.

Keep all energy options open

Improvements in energy security should be sought within the framework of market-based sustainable energy strategies. Given the predicted growth in energy demand, all energy options should remain open. Keeping all energy options open will enable each nation to tailor how to meet its energy needs in the most efficient way in accordance with its particular resource base. All energy sources should be evaluated on their relative merits, including cost, performance, safety, and environmental impact. It must also be recognized that energy investments are generally long-term in nature and thus policy and regulatory frameworks must be supportive of long-term investment cycles.

Diversification, infrastructure, technology and energy efficiency

In addressing energy security, G8 policy-makers should:

- diversify their energy sources;
- encourage and increase private and public investment in energy production, trade and distribution in a transparent and market-oriented manner;
- promote energy-related technological innovation;
- foster energy efficiency and conservation among producers and consumers of energy.

*Need for a
favourable enabling
environment*

ICC believes that energy policy should be seen as an integral part of the broader challenge of economic and social development. However, resources and technology cannot guarantee access and security of supply in the absence of a favourable enabling environment that should notably include safety for contracts and investments, protection of intellectual property rights, transparent governance, fair competition, and laws against corruption that are enforced. In such a context, taking into account the long-term scale of energy investment, energy security can also be enhanced by public/private sector partnerships. ICC commends the objectives and principles of the Energy Charter process in a world of increasing globalization and interdependence between exporters and importers of energy.

*Business can help
governments*

ICC urges the G8 to involve the world business community in its further work on energy security and the necessary enabling environment in order to take advantage of the extensive expertise and skills that business possesses in this field.

2. Doha trade negotiations: running out of time

*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 economic cooperation. It has made an enormous contribution to liberalizing world trade and improving market access, and is a major driving force for global economic growth, job creation, and wider consumer choice. It also plays a major role in helping keep in check the ever-present threat of protectionism. ICC strongly supports the goal of a truly global membership for the WTO, with all countries enjoying its privileges and respecting its obligations. We look forward to the early entry of Russia into membership of the WTO.

*More missed
deadlines in Doha
trade talks*

It is with regret that, yet again before a G8 summit, ICC must register its profound concern that the Doha round of trade negotiations has missed further important deadlines over the past year and continues to make woefully inadequate progress. Business had placed its latest hopes on last December's Ministerial Conference of the WTO in Hong Kong. In the event, a disturbingly modest interim accord did little more than enable the round to survive into 2006. Since then, the round has fallen behind the new schedule agreed at Hong Kong.

*High cost of Doha
Round failure*

Time is fast running out for the Doha Round. It is widely accepted that the negotiations cannot be extended beyond the end of this year. None of the eight previous rounds of multilateral trade negotiations in the decades since World War II has ended in failure. If the Doha Round became the first, the cost would be high and the repercussions would be far-reaching. The WTO system would be significantly weakened and the already potent forces of protectionism would be encouraged. Current trends would accelerate to create a complicated web of bilateral trade agreements which are not a substitute for non-discriminatory global rules.

<i>Multilateral trading system at stake</i>	In short, a failure of the Doha Round would carry risks of a longer-term, systemic nature. The negative signal would go out to investors, traders and consumers that, even in the face of a fragile and uncertain world economy, governments seemed no longer able to work together to strengthen the multilateral framework for commercial exchanges among nations which has served mankind so well for the past half-century or so. That is the real magnitude of what is at stake.
<i>Ambitious outcome still desirable and still achievable by end-2006</i>	Despite the Doha Round's numerous setbacks, ICC believes that it can be brought to a successful conclusion within the short period of time now remaining – and, moreover, that WTO member governments should continue to aim for a comprehensive and ambitious package of results. The challenge to fulfill the long-standing promise of Doha is mostly political rather than technical. And it will only be met if hard decisions are taken through decisive leadership at the highest political levels – in a spirit that recognizes the common interest in success and the collective cost of failure
<i>Need for G8 leadership at highest political level</i>	World business continues to attach overriding importance to the successful completion of the Doha Round. But the hour is late and the situation is serious. ICC calls upon the heads of state and government gathering in St. Petersburg to inject the leadership from the highest political level that the round desperately requires. In particular, we urge them to devote their personal attention to breaking logjams that have bedeviled the talks to date in some prominent and politically very sensitive areas. The prize of a successful and ambitious Doha Round will be well worth the intense effort it will take to meet the deadline that really counts – the end of this year.

3. Intellectual property protection and economic progress

<i>Counterfeiting and piracy are a global epidemic</i>	The global epidemic of product counterfeiting and copyright piracy poses an ever-widening threat to economic and social welfare. Virtually no sector of industry is untouched today by this illegal – and often dangerous – activity. The internet is being used for massive copyright theft. In one country after another, a significant unlawful economy is growing in parallel with the lawful one – a black economy based on stealing, exploitation, tax evasion, and disregard for laws and regulations adopted by society.
<i>Innovation requires IP protection</i>	ICC is deeply disturbed by this rapidly spreading phenomenon since it believes strongly that the protection of intellectual property is a vital element in encouraging research and innovation, international trade and investment, and sound economic growth and development.

<i>The multiple dangers of IP piracy</i>	Piracy and counterfeiting deter inventiveness and creativity, which underpin the knowledge society we live in today; they deprive governments of tax revenue; they undermine laws designed to protect the interests of employees; and they compete unjustly with legitimate economic activities and jobs. They also weaken consumer confidence in the quality assurance of branded products and pose serious health and safety risks in areas such as food, medicines, car parts and toys. Further, the relatively easy profits to be made from piracy and counterfeiting attract organized crime networks interested in funding other criminal activities and lead to a misuse of the international financial system for money laundering purposes.
<i>Enforce the laws</i>	The last three G8 summits have acknowledged the growing need for stronger measures to fight piracy and counterfeiting. However, deeds have not matched words. We in the business community urge the leaders meeting in St. Petersburg not only to reiterate the importance of respect for international obligations in the intellectual property field, but also to commit their governments to improve the enforcement of laws against such activity with vigour and determination.
<i>Business will help governments design programmes to combat IP piracy</i>	In particular, governments should give higher priority to fighting counterfeiting and piracy by gathering more accurate data on the extent of the problem, orchestrating campaigns to raise public awareness of the damage it does, improving cross-border cooperation and training of national enforcement agencies, and exchanging information and best practice. ICC has already launched its own initiative known as BASCAP – Business Action to Stop Counterfeiting and Piracy. Through BASCAP, world business stands organized and ready to assist governments in the elaboration and implementation of effective programmes.
<i>Countries must act together</i>	An already huge problem risks spiraling out of control if the world's major powers do not act together to show the way to combat a global menace.

The International Chamber of Commerce

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

The fundamental mission of ICC is to promote trade and investment across frontiers and help business corporations meet the challenges and opportunities of globalization. Its conviction that trade is a powerful force for peace and prosperity dates from the organization's origins early in the last 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. Another service is the World Chambers Federation, ICC's worldwide network of chambers of commerce, fostering interaction and exchange of chamber best practice.

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 130 countries. National committees work with their members to address the concerns of business in their countries and convey to their governments the business views formulated by ICC.



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