



**International Chamber of Commerce**  
*The world business organization*

## Media Release

### **ICC calls on G20 to act decisively to avoid currency wars, protectionism**

Paris, 28 October 2010 – In the run-up to the G20 Summit of world leaders in Seoul next month, the International Chamber of Commerce (ICC) has become increasingly concerned by international economic frictions over “currency wars” as several nations have accused each other of manipulating exchange rates in order to gain competitive advantage for their exports.

The world economy continues to recover from the crisis triggered by the financial collapse of 2008, but the recovery is very uneven, with many countries struggling to maintain sluggish and fragile growth. A rebalancing of global demand is clearly necessary.

“International tensions over exchange rates are not only hampering the rebalancing of the world economy. They are also courting the dangerous risk of degeneration into protectionism,” said Rajat Gupta, Chairman of the International Chamber of Commerce. “Currency wars could rapidly become overt trade wars. As in the 1930s, that might well lead to a major slump in economic activity worldwide.”

“ICC has been heartened that the meeting of G20 finance ministers in Korea last week appeared to recognize the dangers of unilateral action by countries and agreed upon a policy framework aimed at addressing global economic imbalances through a collaborative, coordinated and multilateral approach with an enlarged role for the International Monetary Fund. That is what is needed – and we hope the ministers’ aspirations will be successfully reflected in deeds as well as words,” Mr Gupta said.

ICC was, however, disappointed that the G20 ministers made scant reference to the prominent role of international trade and the multilateral trading system in the global recovery process.

Global trade is experiencing a U-shaped revival this year. After a 12% fall in real terms last year, world trade is forecast to grow 13.5% in 2010. Keeping trade open remains essential to ensuring the continuity and sustainability of the recovery. Moreover, the World Trade Organization has proved its worth as a bulwark against protectionist pressures in these troubled times. Keeping protectionism at bay must stay high on the G20 agenda. And international initiatives to improve financial regulations should be careful not to negatively affect trade finance, on which so much international trade depends.

### **Concluding the Doha Round must be a priority**

Mr Gupta said: “Fundamentally, ICC believes that the best way to keep trade open is to keep facilitating trade. So-called currency wars and protectionist squirmishing are likely to continue until the G20 puts trade squarely at the centre of its economic agenda. Concluding the Doha Round of trade negotiations must be reinstated as an explicit priority of intergovernmental collaboration. After 10 years of negotiations, 80% of the work is done. ICC calls upon the G20 leaders meeting in Seoul next month to make a serious political commitment to complete what remains. Bringing the Doha Round to a successful conclusion would be the equivalent of a fiscally sustainable stimulus package for the world economy, instilling new confidence in investors, traders and consumers alike. The world economy needs Doha – now more than ever.”



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**About ICC**

The International Chamber of Commerce is the largest, most representative business organization in the world. Its hundreds of thousands of member companies in over 120 countries have interests spanning every sector of private enterprise.

A world network of national committees keeps the ICC International Secretariat in Paris informed about national and regional business priorities. More than 2,000 experts drawn from ICC's member companies feed their knowledge and experience into crafting the ICC stance on specific business issues.

The United Nations, the World Trade Organization, the G20 and many other intergovernmental bodies, both international and regional, are kept in touch with the views of international business through ICC.

For more information please visit: [www.iccwbo.org](http://www.iccwbo.org)