



International Chamber of Commerce

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INTERNATIONAL CHAMBER OF COMMERCE

ICC chairman expresses concerns on economic growth; protectionism

Singapore, 13 November 2009 -- International Chamber of Commerce Chairman Victor K. Fung today expressed concern over the sustainability of the current economic recovery and warned against an increase in protectionist moves that he said will only prolong the current downturn.

Speaking to a group of leading businessmen at the Asian Pacific Economic Cooperation CEO Summit in Singapore, Mr Fung said the global trading system was under a rising number of threats, notably the continuous stream of protectionist measures being enacted by countries around the world, most recently by the United States and China mutually imposing trade sanctions on various products.

The ICC Chairman emphasized that protectionism must be avoided, particularly in times of crisis. "In 2009 we heard many pledges – particularly at G20 summits – not to resort to protectionism. And then countries went ahead and resorted to protectionism."

He cited a study by the non-partisan Global Trade Alert that found that G20 members were responsible for 172 of the 280 trade blocking measures enacted between November 2008 and September 2009. In other words, a G20 country launched a trade barrier every three days.

"Where will it end?" he asked. "What is clear is that this has to stop."

"The US-China relationship is one of the most critical trading relationships in the world. And as two of the most prominent members of the G20, they must set a good example for the rest of the world by resisting protectionism."

"With the world as economically integrated as it has become over recent decades, any lurch into economic nationalism dislocates commercial activity and risks prolonging the global crisis," Mr Fung warned. "We need the US-China trade relationship to work very well in order for the global economic recovery to work."

Mr Fung challenged global leaders to seek multilateral and consensual means to resolve disputes as opposed to using trade as a proxy.

Mr Fung also reiterated calls for a rapid conclusion of the Doha Round of trade negotiations, saying he was "surprised that Doha is still unresolved eight years after its launch."

He recalled that the G20 leaders have consistently expressed their support for a successful conclusion to the talks numerous times over the years, most recently at their summit in Pittsburgh in September.

"Judging from the rhetoric, agreement on Doha is within reach," Mr Fung said. "And yet Doha is still far from a sure thing."

Turning to the global economy, Mr Fung said that the government stimulus plans in the United States, Western Europe and China had not yet produced a long-term recovery but brought the world economy to the point where we can begin to think about creating long-term growth. "The heavy lifting is just beginning", he concluded.



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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, and many other intergovernmental bodies, both international and regional, are kept in touch with the views of international business through ICC.

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