G20 BUSINESS SUMMIT

2012 LOS CABOS SUMMARY
Messaging and presence

From the opening bell, to the final session

ICC’s delegation to the G20 Business Summit in Los Cabos was active and vocal on behalf of world business. Members of the ICC G20 Advisory Group took on a variety of roles, presenting business recommendations to government officials, participating on plenary panel discussions, introducing G20 leaders, and speaking to the media.

The delegation was led by ICC Chairman Gerard Worms, who was joined by ICC Vice-Chairman and Chairman and CEO of The McGraw-Hill Companies, Harold McGraw III; ICC Honorary Chairman and Li & Fung Group Chairman Victor K Fung; ICC G20 Advisory Group Chairman and SEB Chairman Marcus Wallenberg. Other CEOs in the delegation included Kris Gopalkrishnan (Infosys), Eduardo Eurnekian (Corporacion America), Young Tae Kim (Daesung), Kimball Chen (Energy Transportation Group), Pierre Froidevaux (ICC Mexico), Paul Bulcke (Nestle), Antonio Brufau (Repsol), Martin Senn (Zurich Insurance Group), Steen Riisgaard (Novozymes).

ICC press conference

ICC took an early lead in communicating business messages to the media covering Los Cabos. Just in advance of the opening day ceremonies, ICC’s Chairmanship held a press briefing to set out the main business priorities: Mr Fung called on G20 leaders to lead by example in resisting protectionism and rejecting measures that restrict trade and investment. Vice-Chairman McGraw urged the G20 to enhance capital markets so that the global economy has the liquidity it needs to meet massive demands in infrastructure. He also called on the G20 to step up protection of intellectual property rights. Mr Wallenberg expressed business’s concern over an alarming increase in protectionism and a trend towards ‘over-regulation’, pressing on the G20 to create a predictable and stable climate for global cross-border investment.

Opening ceremony – ICC represents world business in Los Cabos

ICC Secretary General Jean-Guy Carrier presented remarks during the opening ceremony, reflecting ICC’s leadership role as the voice of global business and its history of advocacy work with the G8 and G20. “It’s our responsibility to ensure that the G20 takes into account global business priorities in their deliberations. As the everyday practitioners of the global economy, we need to make sure that the voice of world business is heard,” he told delegates. Mr Carrier was joined by other members of the Summit organizing committee, including Robert Greenhill, Managing Director of the World Economic Forum, and representatives from Mexican business associations COPARMEX and COMCE. The opening ceremony was presided by Alejandro Ramirez, CEO of Cinepolis, who was appointed by Mexican President Felipe Calderon to chair the G20 Business Summit.

State of the world economy

Marcus Wallenberg was invited to address the Summit during his introduction of Indonesian President Susilo Bambang Yudhoyono. Mr Wallenberg, who immediately followed the IMF-World Bank discussion on the state of the World Economy, cautioned that the financing of the economy is being restricted by higher bank funding costs, higher lending spreads, and lower credit supply. He pointed out that “All this is happening at a time when the world economy is most in need of productive investment.”
Plenary discussion on Trade & Investment

Three CEO members of ICC’s G20 Advisory Group joined Pascal Lamy, Director-General of the World Trade Organization, and Patricia Janiot, Senior News Anchor, CNN en Español, to explore how greater flows of cross-border trade and investment could provide a much needed source of growth and employment. Victor Fung (Li & Fung Group), Paul Bulcke (Nestlé) and Harold McGraw III (McGraw-Hill) urged the G20 to play a leadership role in helping break the stalemate in global trade talks and embracing a forward-looking global investment agenda. They also tackled a number of issues, including how to encourage governments to honour their commitments to renouncing protectionism, how business and government can work together to move the global trade and investment agenda forward, and what measures can be taken to foster growth and jobs through global value chains.

Gerard Worms introduces ICC G20 Business Scorecard

ICC Chairman Gerard Worms was invited to address the Summit during his introduction of Korean President Lee Myung-bak. Mr Worms expressed appreciation for President Lee’s leadership in establishing the G20 Business Summit in Seoul in 2010. At that first Summit, President Lee had stated: “Participation from business will reinforce the positive outcome from the official Summit and highlight the vitality that can only be provided by the private sector to further enhance the G20 as an effective forum for promoting global prosperity.” Mr Worms also officially introduced the ICC G20 Business Scorecard to President Lee. He explained the purpose of the ICC G20 Scorecard is to generate a balanced and reliable measurement of the G20’s performance in response to business recommendations that have been put forward to G20 leaders.

Trade and Investment Roundtable with Turkish President Erdogan

The Trade and Investment Task Force session was co-chaired by two members of the ICC G20 Advisory Group, Victor K Fung, Chairman of Li & Fung and Martin Senn, CEO, Zurich Insurance Group and Co-Chairs of the Task Force, and started off with an analysis of the current situation in terms of protectionist measures. Mr Fung and Mr Senn cited that in 2011, 124 restrictive measures were implemented in G20 countries. The most discussed item was the role of G20 countries in protectionism. Member countries, according to the recommendations made, must promote measures that facilitate trade and investment, in addition to rejecting protectionist measures.

Mr Senn outlined the group’s recommendations, including measures to support cross border investment and to avoid protectionism.

As a special guest at this meeting, the Prime Minister of Turkey, Recep Tayyip Erdogan, reiterated the G20’s commitment to avoiding protectionist measures and promoting growth. He said that by taking comprehensive steps, such as those taken in Turkey, the consequences of financial crises can be mitigated. Some of the measures include setting specific goals to increase market participation by 2023, creating national and international coordination groups to improve the investment climate and encourage large scale investments.
Participants emphasized the need for the G20 to follow-up on the recommendations, in particular on trade facilitation. This is why the Prime Minister of Turkey, alongside his counterparts in Australia and Russia, were asked to bring this topic to the attention of the G20.

Robert Zoellick, President of the World Bank, talked about how such meetings allow CEOs to help governments reach agreements, wield greater influence and achieve a greater impact in terms of results, highlighting the important link between the private and public sectors in the creation of jobs.

Publications

**ICC G20 Business Scorecard**


The purpose of the Scorecard is to generate a balanced and reliable measurement of the G20’s performance in response to business recommendations that have been put forward to G20 leaders.

The Scorecard appreciates the fine points of the G20’s policymaking process, and it recognizes that there has been steady progress on many fronts. Even “incomplete” scores reveal the value of the process and shed light on where progress has been made.

Results from the Scorecard also demonstrate the value of business engagement and serve to further mobilize business community input in the process.

**Open Markets Index**

To further understand the extent to which governments are following through on their commitments to create genuinely open economies, ICC commissioned the Open Markets Index (OMI) to generate a balanced and reliable measurement of a country’s openness to trade. It uniquely combines indicators of actual, de facto, openness of markets with those reflecting government measures considered barriers to market entry. Consequently, the results of the OMI serve two purposes:

1. The ranking of national market performance on openness to trade and investment from most to least open is an effective way to concentrate attention on the need for improvements and to monitor year-on-year progress.

2. The evaluation of a country’s performance across four indicators of openness to trade and investment constitutes a tool for policymakers and authorities to identify deficiencies that deserve greater attention, thereby generating a roadmap of sorts for action and improvement.

**Networking**

The ICC G20 Advisory Group took the opportunity to meet at CEO and deputy level.

ICC held three events for the Advisory Group in Los Cabos, a dinner on the evening of 16 June, a CEO meeting on 17 June and a Chairman’s dinner on the evening of 18 June.

All events were well attended by CEOs and their teams from Nestle, McGraw-Hill, Li & Fung, Bayer, Corporacion America, Daesung, Energy Transportation Group, Eskihisar Group, GDF Suez, Hanwha, Infosys, Schneider Electric, SEB, Shell, Telefonica, and Zurich Insurance Group.