

ICC summary of the Antalya G20 Leaders' Declaration

Overview

On 15-16 November 2015, G20 Leaders met in Antalya, Turkey, to outline a work program to determine further collective actions towards achieving strong, sustainable and balanced growth. The chapeau of the Summit Communiqué emphasized a resolve to ensure growth is robust and inclusive and delivers more and better quality jobs. It was noted that advancing inclusive growth and entrenching confidence will require strong engagement with all stakeholders.

The Communiqué reiterated the commitment to lifting collective G20 GDP by an additional 2 percent by 2018 as announced in Brisbane last year and reported that significant progress towards fulfilling commitments to the individual country growth strategies had been made. Acknowledging that more needs to be done, the Antalya Action Plan, comprising adjusted growth strategies and implementation schedules for key commitments, was agreed.

ICC welcomes the Communiqué and action plan geared on raising global growth and delivering better living standards and quality jobs worldwide. In particular, ICC was pleased that the G20: (i) rallied support for a strong multilateral trading system, (ii) increased efforts to ratify and implement of the WTO Trade Facilitation Agreement, (iii) highlighted the importance of country-specific investment strategies, (iv) renewed attention to energy and climate challenges, (v) drew attention to the risks of intellectual property theft, and (vi) officially recognized the new World SME Forum.

ICC views on the G20 Leaders' Declaration

ICC has been deeply engaged in the Business-20 (B20) process since the Seoul Summit in 2010, and this year worked closely with B20 Turkey to formulate the set of 19 recommendations that focus on the core economic drivers of trade, infrastructure, finance, investment and transparency. The B20 recommendations were presented to Turkish President Erdogan in September 2015, and President Erdogan reiterated the value of B20 input and contributions during his remarks to the business community during the B20-G20 Antalya Summit on 15 November.

In this regard, it's both rewarding to see progress and gratifying to receive endorsement from G20 Leaders on the crucial role of B20 contributions. If properly implemented, the 19 mutually reinforcing recommendations put forward by the B20 this year would help the G20 exceed its 2% growth target.

The following sections delineate ICC's initial views on the substantive outcomes from Antalya on the elements of the G20 agenda that are central to ICC's work.

Supporting a strong multilateral trading system

ICC welcomes the G20 Leaders' recognition of the importance of a strong and efficient multilateral trading system and their commitment to achieve a balanced set of outcomes at the 10th WTO Ministerial Meeting in Nairobi in December.

The specific commitment to increase efforts to implement all the elements of the WTO Bali Package, including the prompt ratification and implementation of the Trade Facilitation Agreement, however, must be followed with commitments in national capitals, as only 52 countries have ratified the TFA to date. Speaking on the eve of the G20 Summit, WTO Director General Roberto Azevedo noted that while no G20 country has said that it would not ratify the agreement, we are still far from reaching the 108 required in order for the agreement to enter into force — and among the remaining are several G20 countries.

ICC also welcomed the recognition by G20 leaders that bilateral, regional and plurilateral trade agreements should complement one another, be transparent and contribute to a stronger multilateral trading system under WTO rules. This commitment is especially important with several regional trade agreements currently being discussed, including the Transatlantic Trade and Investment Partnership (T-TIP), Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP).

ICC has routinely called on the G20 to eliminate trade protectionism measures and other barriers to open trade, and was therefore pleased that G20 Leaders reaffirmed their longstanding commitment to standstill and rollback on protectionist measures and pledged to remain vigilant by monitoring their progress. These commitments, however, come across as hollow in the face of recent reports that operational progress has been lacking. Moreover, Leaders have not adequately addressed problems of increasing non-tariff barriers as recommended by B20.

Trade flows—which have historically been an important driver of growth and job creation—recorded an unanticipated 6% drop through the first half of this year. New data suggests that protectionism is again on the rise, and according to the latest ICC Open Markets Index 2015, the G20 is failing to demonstrate global leadership on trade openness, with only one G20 nation ranking among the world's top 20 open trade markets. It is therefore vital that the good words of the Antalya Communiqué translate into real world action to keep markets open and to make trade easier for small businesses and entrepreneurs. An initial test of the Antalya declaration will be the extent to which G20 governments are able to deliver on their commitments to strengthen the multilateral trading system at the WTO's Ministerial in Nairobi in just one month's time.

Commitments to investment and infrastructure

ICC is encouraged by the development of country-specific investment strategies aimed at boosting investment through private sector participation. The Communiqué notes that according to analysis by the OECD, these strategies would contribute to lifting aggregate G20 investment GDP ratio by an estimated 1 percentage point by 2018.

However, ICC believes that the growth strategies also need to be coupled with robust measures to support cross border investments and improve underlying investment conditions that enable long-term financing. During the B20 – G20 session at the Summit, Marcus Wallenberg, Chairman of the ICC G20 Advisory Group and Chairman of Sweden's SEB, reiterated this vital business recommendation in his remarks to Canadian Prime Minister Trudeau, and urged the G20 to demonstrate global economic leadership by creating a sound, predictable set of rules governing investment.

We are disappointed that the G20 has again failed to address the issue of supporting international investment flows—including through the development of clearer international investment rules. The development of a high-standard multilateral framework would help overcome the deficiencies of the current patchwork of bilateral and regional investment rules. This must be an absolute priority for

world leaders given estimated US\$70 trillion shortfall in infrastructure investment needed by 2030 and the trillions of investment required to deliver on the UN Sustainable Development Goals.

ICC welcomes the development of toolkits for G20 countries to better prepare, prioritize and finance infrastructure projects. These commitments echo the B20 International Business Advisory Council's recommendation for G20 Leaders to focus on infrastructure strategies linked to G20 growth goals.

ICC's also agrees with the G20's continued endorsement of the Global Infrastructure Hub—carried forward from the 2014 Brisbane Summit—along with reference in the Antalya Action Plan calling on the Hub to fully implement a business plan for promoting knowledge-sharing, addressing data gaps, and strengthening engagement with the private sector. Business has invested in this endeavor, which could drive an additional US\$ 2 trillion in infrastructure capacity. However, any pledges to increase much needed infrastructure investments will ultimately depend on how G20 countries ability to carry forward their individual growth strategy commitments.

The G20 emphasized that 2015 is a crucial year for sustainable development and committed to ensuring that members' actions contribute to implementing the new global Sustainable Development Goals (launched in September 2015). The G20 also committed to develop an action plan in 2016 to further align its work with the 2030 Agenda for Sustainable Development.

ICC is pleased that the G20 acknowledged the importance of the 2030 agenda; this support will give much needed momentum to the implementation of the SDGs. Moreover, the commitment to implement the WTO Trade Facilitation Agreement, which would also support broader efforts to eliminate corruption and reduce rates of food wastage, would be seen a quick win to deliver on the promise of the post-2015 development agenda. During the B20 Summit, ICC Secretary General John Danilovich pointed out that many businesses are already playing a leading role in promoting sustainable development, but with the right support and incentives from government business can do much more. It's vital that the G20 shows leadership in engaging the private sector to deliver on the promise of the SDGs.

Demonstrating leadership on anticorruption

ICC has a long history of supporting business in the battle against corruption and has developed a strong suite of concrete anticorruption training tools to curb the negative impact of corruption on investment, global growth and financial stability. ICC was therefore pleased to see that the G20 committed to building a global culture of intolerance towards corruption through effectively implementing the 2015-2016 G20 Anti-Corruption Action Plan. Leaders also endorsed several new initiatives, including the G20 High-Level Principles on Integrity and Transparency in the Private Sector, the G20 Principles for Promoting Integrity in Public Procurement, the G20 Anti-Corruption Open Data Principles and welcomed the publication of G20 Implementation Plans on beneficial ownership transparency. ICC recognizes and values the ongoing cooperative role between the G20 and B20, and stands ready to complement the work of the G20 Anticorruption Working Group, including through the development of training products to help companies implement effective compliance programs.

Supporting small- and medium-sized enterprises (SMEs)

Support for SMEs have been one of the defining aspects of this year's Turkish Presidency and the Summit Communiqué made multiple references to supporting SME growth, from improving SMEs' access to Global Value Chains and country specific investment strategies, to a Joint Action Plan on SME Financing and the release of G20/OECD High-Level Principles on SME Financing.

The G20's focus on SMEs is an important acknowledgment of the value of these businesses to the global economy. SMEs employ more than two-thirds of the private-sector workforce, and provide over 80 per cent of net job growth. The G20's actions shows that the G20 continues to build a portfolio of support mechanisms and measures that have the real possibility of unlocking the full potential of SMEs worldwide.

One urgent issue of concern is the financing of small businesses. Recent research shows that the enormous potential of small businesses is being held back by limited access to reasonably priced finance. ICC is prepared to support implementation of the new G20 commitments to enhance SME access to both short- and long-term financing.

Towards increasing support for SMEs, ICC welcomed the G20's official recognition of the new World SME Forum, a groundbreaking ICC-led initiative to build capacity within the small business sector and to ensure that the views of small business are taken into account in the development of global policies. Further reference to WSF in the Antalya Action Plan signals the G20's view of the value of the WSF to provide advocacy, know-how, and e-knowledge for the SMEs globally. As a cofounder of the WSF, ICC will look closely at the various G20 action plans—and the B20 recommendations—and explore how the WSF can implement the suggestions. A key objective of the WSF will be to independently report back on progress on this important work ahead of the G20's Summit in Hangzhou, China, in September 2016.

Addressing energy needs and climate change challenges

ICC is pleased that the Communiqué included a new emphasis on improving energy efficiency, increasing investments in clean energy technologies and supporting related research and development activities. Specifically, G20 leaders endorsed the G20 Energy Access Action Plan; Voluntary Collaboration on Energy Access, which initially focuses on enhancing electricity access in Sub-Saharan Africa; and the G20 Toolkit of Voluntary Options on Renewable Energy Deployment which sets out options for further work by the G20.

The Communiqué also highlighted progress made this year by participating countries in taking forward their voluntary collaboration on energy efficiency and emissions performance of vehicles, particularly heavy duty vehicles, networked devices, buildings, industrial processes and electricity generation, as well as financing for energy efficiency.

ICC is pleased that the G20 has recognized several of the business priorities outlined in this year's B20 Energy Forum statement, which ICC G20 CEO Advisory Group members contributed to.

On Climate, the G20 Communiqué included unprecedented strong language on climate change noting that it is "one of the greatest challenges of our time". The G20 affirmed members' determination to adopt "a protocol, another legal instrument or an agreed outcome with legal force at the COP21 in Paris that is applicable to all Parties." To that end, Leaders instructed their negotiators to engage constructively and flexibly in the coming days to discuss key issues and committed to work together for a successful outcome in Paris.

The Antalya wording suggests a step up from last year's Brisbane Summit, where energy and climate change topics were notably subdued. The heightened focus on energy and climate change in the Leader's communiqué, coupled with the first G20 Energy Ministers Meeting on 2 October 2015, indicates that energy and climate issues are evolving as more integral parts of the G20 agenda.

Moreover, collective commitments by the G20 can provide the needed leadership to bridge gaps in climate negotiations, as was evidenced by similar collective positions on trade taken at the St. Petersburg Summit – which led to the Bali package and a historic consensus on the WTO Trade Facilitation Agreement at the 9th WTO Ministerial in Bali.

The Communiqué sends a clear and vital signal of G20 commitment to secure a robust and comprehensive agreement at COP21. Business fully supports this pledge and ICC calls on all governments to ensure that COP21 delivers an agreement that works with the private sector to meet the climate challenge.

Taxation rules for the 21st Century

ICC fully supports the G20's goal of a globally fair and modern international tax system. The conclusion of the OECD's Base Erosion and Profit Shifting (BEPS) package is an important first step in tackling tax evasion. However, the envisioned goal can only be achieved if countries are able to agree among themselves on a fair distribution of taxation rights in order to avoid double taxation disputes that would stifle cross-border trade and investment. In this light, ICC welcomes the G20's statement that the BEPS package should be implemented in a consistent manner – coordinated and coherent implementation is imperative to prevent increased double taxation. Furthermore, ICC believes that implementation should take place in close cooperation with business to ensure the reforms are both practicable and effective. ICC also stresses the importance of ensuring that all countries - not just OECD states – work together towards a consistent international tax landscape. ICC therefore fully shares the G20's call to strengthen developing economies' engagement on equal footing.

ICC continues to raise its concerns that compliant taxpayers will suffer collateral damage as a result of a tightening of international tax rules. In this context, ICC calls upon the G20 to ensure effective dispute resolution mechanisms are in place to mitigate the "tsunami" of double taxation cases and associated tax disputes anticipated in the coming years. To this end, we offer our full support and extensive expertise in the areas of taxation and dispute resolution to the G20, OECD and UN.

Delivering information and communications technologies (ICTs) to all

One of ICC's priorities in the Digital Economy is the global development and stable growth of and access to information and communication technology (ICT). ICC is therefore pleased that the Communiqué included a commitment to "bridge the digital divide". While there remains considerable opportunity for the G20 to provide specific guidance and momentum in this area, the commitment generally reflects ICC First Vice Chairman Sunil Mittal's recommendation to President Erdogan during the B20 – G20 session in Antalya for G20, where he called on Leaders to commit and invest in developing digital infrastructure to deliver a brighter and more prosperous future to their citizens. He also underlined the urgent need to bridge the global digital divide and provide easy and affordable access to ICTs to millions across the world: "If we want to help people feed, heal, educate and employ themselves, we need to ensure they can connect to the internet."

Bolstering intellectual property protection

Intellectual property (IP) plays a key role in supporting the innovation required to help solve many of the challenges described in the Antalya Communiqué, such as sustainable development, climate change, food security and improving energy efficiency, ICC is therefore pleased that the Communiqué recognized that no country should conduct or support ICT-enabled theft of IP, including trade secrets or other confidential business information. Notably, this is the first mention of IP in a Leaders'

Communique, which signals much needed attention to the value of IP and the risks associated with IP theft. ICC has long sought to highlight the importance of an effective and predictable IP system for innovation, as well as to safeguard companies from IP theft and protect consumers from the health and safety risks associated with trademark counterfeiting and copyright piracy. ICC commends the G20 for recognizing this important issue and will contribute full support to the G20's work in this area.

ICC's engagement in the G20 process

For the sixth consecutive year ICC has served as a strategic partner in the B20 process. This year ICC served as a key B20 knowledge partner, members from the ICC G20 CEO Advisory Group held leadership positions in the B20 task forces, and we were able to advance a number of ICC priorities in the areas of trade, investment and infrastructure, energy, finance, anticorruption and SME support.

ICC First Vice Chairman Sunil Bharti Mittal led a delegation of CEOs to the Summit in Antalya, including members of the ICC G20 CEO Advisory Group:

- Sunil Bharti Mittal, Founder and Chairman, Bharti Enterprises
- Marcus Wallenberg, Chairman, SEB
- Peder Holk Nielsen, CEO, Novozymes
- Khalid Alireza, Chairman, National Petrochemical Industrial Company
- Gerard Mestrallet, CEO, Engie
- Antonio Brufau, Chairman, Repsol
- Alexander Shokhin, President, Russian Union of Industrialists and Entrepreneurs
- John Denton, CEO, Corrs Chambers Westgarth
- Alejandro Ramirez Magana, Director General, Cinapolis
- Sam Walsh, CEO, Rio Tinto
- Paul Bulcke, CEO, Nestle
- Victor Chu, Chairman, First Eastern Investment Group
- Danela Arsovska, President of Macedonian Chambers of Commerce
- Yassin Al Suroor, CEO, Aamal Group
- John Danilovich, Secretary General, International Chamber of Commerce

Conclusions

As the voice of international business, ICC has a clear stake in the success of the G20 – and, through our CEO-led ICC G20 Advisory Group, we are willing to play an increasing role in delivering high-level business input to G20 policymaking, partnering with governments to implement commitments, and validating the G20's actions through increased international trade and investment, economic growth and job creation.

This year's B20 process made a real difference to the conversations with G20 Leaders and helped them make the commitments that business has been advocating on jobs and growth. It is now incumbent upon ICC to maintain efforts in advocating these business priorities to G20 Leaders, through the end of this year and into the Chinese G20 Presidency beginning next month.

As the long-standing representative of global business, ICC stands ready to present business views, objectives and priorities to G20 Leaders in the years to come. We thank Turkey for hosting a successful B20 and look forward to assist B20 China as it prepares for the next cycle.