

INTERNATIONAL BUSINESS

BIAC at 50

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Peter M. Robinson, President and CEO, USCIB

USCIB provides members with access to the UN, OECD and other multilateral bodies, in order to advocate and represent business views.

A Network Like No Other

In an increasingly interconnected world, it's impossible to overstate the importance of the *network*. We network with professional colleagues, maintain networks of suppliers, allies and supporters, and plug into vast information networks, to run our businesses and manage our lives more efficiently.

One of USCIB's most important assets is our unique *global network*, our affiliation with leading international business organizations, which provides USCIB members with official access to major multilateral bodies, and allows business to speak with authority in these forums and to national governments.

Much of this issue of *International Business* is devoted to **BIAC, the Business and Industry Advisory Committee to the OECD**, which we honored with USCIB's 2012 International Leadership Award on November 28, at a gala dinner at the Waldorf-Astoria in New York City. Over the years – and especially under the leadership of BIAC Chairman **Charles P. Heeter, Jr.** and Secretary General **Tadahiro Asami** – BIAC has played an invaluable role in championing the interests of the OECD-area business community in this increasingly important multilateral body, which now groups the world's 35 most advanced industrial economies. As you will see elsewhere in this issue, BIAC provides unmatched leadership and expertise within the OECD system on labor and employment, taxation, the future of the Internet, green growth, trade and investment, and many other topics.

There are two other crucial components to USCIB's global network that play an important role in enabling USCIB to serve as an effective, vocal champion of American business around the world.

The **International Chamber of Commerce**, our oldest affiliated body, remains the original voice of business on the world stage, with official standing in the United Nations and many affiliated agencies. ICC's long record of business advocacy within the UN system will be invaluable as the UN proceeds

with an ambitious Development Agenda, the successor to the Millennium Development Goals. ICC's high-level work with the G20, along with its efforts to restart serious discussion of the future of world trade, also warrant active engagement by USCIB members.

USCIB's Global Network



Open markets, competitiveness and innovation, sustainable development and corporate responsibility, supported by international engagement and prudent regulation

The International Organization of Employers, for which we have long served as the U.S. member federation, plays an increasingly important role on global labor, workplace and social affairs matters. The IOE's official standing as business interface with the tripartite International Labor Organization (along with governments and labor), enables USCIB members to play a direct role in setting international labor standards. IOE also represents business views to G20 labor ministers, and it works closely with the International Organizations for Standardization and the UN Human Rights Council, among other forums.

USCIB members are already leveraging the power of our global network – BIAC, ICC and IOE – to advance American business interests on trade and investment policy, on tax policies, on the future of the Internet, on climate change and green growth, and in many other areas. Doing so helps promote their interests, and the interests of the broader business community, in securing sustainable growth, job-creation and other important societal goals.

The power of our network to help you grow your business and secure a better future is unmatched, but only if you use it. I urge all USCIB members to take full advantage of the resources and capabilities of these remarkable institutions.

Contact Peter Robinson at (212) 703-5046 or probinson@uscib.org. ■

50 Years of Business Engagement With the OECD

This year marks the 50th anniversary of BIAC, the Business and Industry Advisory Committee to the OECD – a key lynchpin in USCIB's global network. We are celebrating BIAC's achievements at USCIB's International Leadership Award Dinner, which took place November 28 in New York. Look for a report on the dinner in the next issue of International Business. Here, we look back at BIAC's and the OECD's many achievements, and ahead to an even brighter future.

Last year, the Organization for Economic Cooperation and Development (OECD), the inter-governmental body grouping the world's most advanced economies, celebrated its 50th anniversary. Over the years, business has had a maintained presence at the Paris-based OECD, through the Business and Industry Advisory Committee (BIAC), a partner in the OECD's mission from the very beginning. (Labor also maintains official consultative status via TUAC, the Trade Union Advisory Committee to the OECD.)



Created as a forum in which governments could work together to share experiences and seek solutions to common problems, the 35-nation OECD has emerged as the international organization championing higher standards of government policy that support economic growth and a vibrant climate for business.

Among the OECD's core strengths is its ability to offer its members a framework to compare experiences and examine "best practices." Much of the OECD's authority and effectiveness stems from the fact that it is not trying

to impose policies or binding obligations on government – although there are some of these too – but that its work demonstrates to governments what works and what doesn't and helps them tailor "best practices" to their particular circumstances. This is fact-based analysis backed by experience.

Why is BIAC's and the business community's input important to the OECD? The critical point is that, through BIAC, OECD can provide first-hand, on-the-ground, and in-the-marketplace experience and advice. The OECD's data and analysis are informed by what is happening in the real world, the real economy.

The working relationship between the OECD and BIAC was defined in 1962, when the OECD Council officially recognized BIAC as being representative of the OECD business community. This OECD/BIAC relationship has served both organizations for their mutual benefit, and has proven effective and resilient. It has also helped to make the OECD unique among international organizations.

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The Big Idea

Open Markets Offer Better Jobs

By Ken Ash

Director, Trade and Agriculture Directorate
Organization for Economic Cooperation and Development

It is not uncommon that during crises there is a temptation to protect one's own economy by closing borders and shielding the domestic industry and labor market from foreign competition. In today's world of interdependent markets and global production networks, such policies are, however, self-defeating, often hurting most those that they aim to protect. Not only do more open economies deliver better economic performance overall, they also tend to recover more quickly from economic downturns.

During the most recent crisis, when international trade collapsed and many jobs were shed, fears arose that governments may be tempted to introduce protective measures, risking a global escalation in trade barriers that would hurt the world economy. So far, such an escalation has been avoided, despite some backsliding.

This may be partly due to a growing convergence in appreciation of the positive impact of economic openness on growth and labor market outcomes among governments and international organizations worldwide. The recently released OECD report, *Policy Priorities for International Trade and Jobs*, prepared jointly by ten international organizations, is testimony of such a convergence.¹

The findings of the OECD-led International Collaborative Initiative on Trade and Employment show that openness contributes to growth and, when complemented with robust complementary policies, promotes improved employment opportunities.

The 450-page report finds, again and again, that economic openness can contribute to higher growth rates and better jobs, provided adequate complementary policies are in place. While hardly novel to some, the rich evidence provided by the book and reaffirmed by the partner organizations adds much-needed weight to the argument in the face of the continuing economic crisis. The message to governments is clear: protect workers, not jobs, and keep markets open to reap the benefits of trade for the domestic market.

Trade drives growth through increases in productivity

The positive effect of trade on labor markets occurs primarily through its positive effect on productivity and per capita incomes. All the 14 main multi-country econometric studies undertaken since 2000, and cited in the overview chapter of the book, confirm that economic openness plays an independent and positive role in raising incomes. Country case studies confirm the same trend: open economies grow faster than closed ones, regardless of the region.

¹ Participating organizations include: ADB, AfDB, ECLAC, IADB, ILO, OAS, OECD, UNCTAD, World Bank & WTO. For further information on ICITE, see: www.oecd.org/site/tadicite



In addition, no study finds that trade restrictions positively affect long-run growth, a point conceded by even the most sophisticated critics. Apart from the positive long-term effect of economic openness on growth, recent studies find that trade liberalization also has a positive impact on growth. One of these studies, analyzing 141 liberalization episodes, finds that after liberalization per capita growth rates were 1.5 percentage point higher than before, and investment rates were 1.5-2.0 percentage points higher.

Overall, these positive effects of trade on growth occur primarily through stimulation of productivity, be it through access to cheaper and better quality inputs or efficiency-enhancing re-allocation of resources within and across firms. These productivity increases, in turn, help create higher-skill and better paid jobs.

Trade contributes to creating better jobs

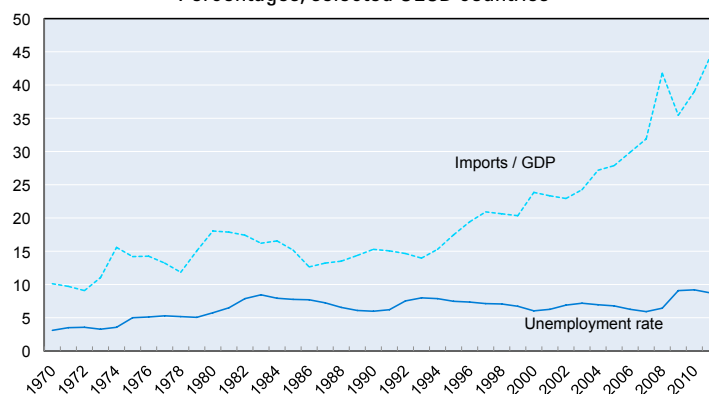
For example, recent firm-level evidence shows that exporting firms are more productive and pay higher wages than non-exporters – in the United States 6 percent higher. Imports of intermediate inputs – which account for most of global trade today – also increase productivity of firms, with the same beneficial effect on average wages. In Chile, for example, wages in highly open sectors – defined by high export and import penetration and level of FDI – were found to be up to 25 percent higher than in closed sectors, and labor market institutions were also important for producing this result.

Additionally, studies find that open economies outperform closed ones also in other aspects of working conditions besides pay, such as fewer accidents and longer life expectancy.

Finally, despite public fears about imports reducing domestic job opportunities, it is worth stressing that there is no systematic long-term link between

Rising imports are uncorrelated with unemployment... in the long run

Percentages, selected OECD countries^a



a) Australia, Austria, Belgium, Canada, Denmark, Finland, Former Federal Republic of Germany until 1991, France, Germany, Iceland, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States (simple averages).

Source: OECD Economic Outlook database.

trade and unemployment. Very high import growth in OECD countries, including the United States, is uncorrelated with unemployment rates across the OECD area (Chart 1). More often than not, technological progress and other factors impacting the labor force determine long-term employment outcomes.

But the composition of jobs changed

Still, tectonic shifts in the composition of jobs have occurred over the past thirty years. While the total number of manufacturing jobs worldwide rose from 1980 to 2005 (from 115mln to 162mln), it fell in high-income countries (from 61mln to 54mln), rising dramatically in East Asia and Eastern Europe (from 53mln to 87mln). In the meantime, employment in services in developed countries expanded, accounting for all net job growth in high-income countries and 85 percent of new jobs in middle-income countries between 1995-2005. Hence, the fall in manufacturing employment may reflect a natural process of moving away from manufacturing towards services employment as countries develop (Chart 2).

Bearing in mind the growing importance of services, which accounted for most of the labor productivity and value added growth in high-income countries and are inputs into manufacturing production, ensuring these sectors are open and competitive will be particularly important for growth. On-going work at the OECD to develop *Services Trade Restrictiveness Index*, measuring relative openness of services sectors in OECD and selected non-OECD economies, may be a helpful tool for governments to identifying priority areas in this regard.

Policies matter

Market openness has thus a potential to create better jobs overall. Yet, this process is not automatic and may entail adjustment for some businesses and some workers. The principal role for government is to create an enabling environment for trade to deliver the expected growth results – through stable macroeconomic



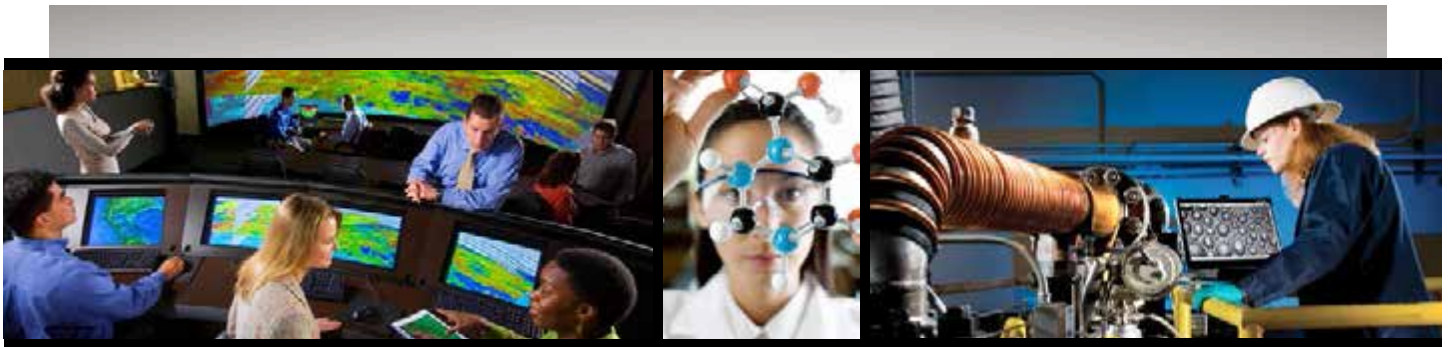
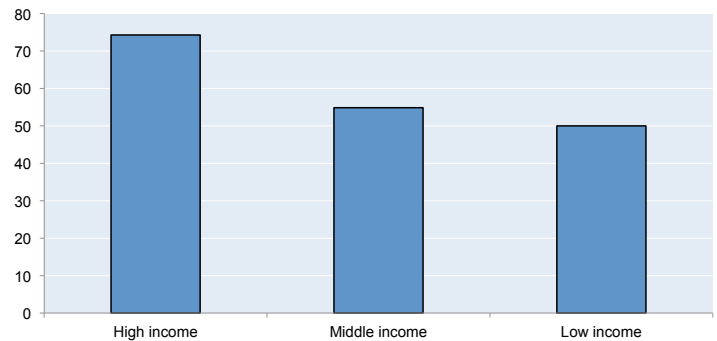
Panel discussing the OECD trade and jobs report in September in Washington, D.C. L-R: . BIAC Chair Charles Heeter (Deloitte), Ed Gresser (Global Works Foundation), Ken Ash (OECD), Dorothy Dwoskin (Microsoft), Rob Mulligan (USCIB).

policies, adequate property rights, effective regulation, and well-designed public investments – and assist individuals affected by adjustment.

A combination of labor market flexibility, allowing the adjustment to take place as quickly as possible, and robust social safety nets, shielding individual workers from adverse income shocks tends to work best. In other words, protect workers, not particular jobs. In the long run, the best adjustment policy is growth itself, with a well-educated and mobile workforce able to adjust to shocks quickly, trade-induced or otherwise.

The OECD report, *Policy Priorities for International Trade and Jobs*, is available at www.oecd.org. ■

Service, etc. value added (% of GDP) by Country Income Level



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USCIB Represents Business at APEC Summit

The APEC Russia host year came to a close with September's APEC CEO Summit, Ministers' and Leaders' meetings in Vladivostok. USCIB President & CEO **Peter Robinson** and **Justine Badimon**, manager for APEC affairs, attended the CEO Summit on behalf of USCIB members and the U.S. APEC Business Coalition from September 5-8.



USCIB's Justine Badimon and Peter Robinson in Vladivostok

The Business Coalition was represented in Vladivostok by USCIB and our partners, the National Center for APEC, U.S. Chamber of Commerce, U.S. ASEAN Business Council and the U.S.-Russia Business Council, along with many executives from USCIB member companies.

Ministers and leaders from the APEC economies met in Vladivostok over the first week of September to assess the progress of the 2012 year and plan the way forward. On September 6th APEC ministers released a positive statement on their commitment toward fostering trade and economic growth in the region, and addressing next generation trade and investment issues.

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USCIB Highlights Business Priorities for Upcoming UPU Ministerial

The Universal Postal Union (UPU) held its quadrennial "congress" (i.e., ministerial) meeting in Doha, Qatar from September 24 to October 15. In the lead-up to the meeting, USCIB continued to urge the U.S. delegation to the UPU to work closely with interested U.S. private-sector companies, and to pay particular attention to assuring a level playing field if and when postal services anywhere in the world compete directly with the private sector, including on package delivery services and financial services. As postal revenue dries up around the world, many publicly operated postal organizations may be tempted to get into new lines of business. This presents a vexing challenge to private-sector companies that may find themselves in competition with these state-supported entities. Last November, USCIB and three other business groups sent a letter to the Obama Administration urging the U.S. to prepare diligently for the Doha congress.

50 years of the "voice".

Deloitte congratulates BIAC on 50 years of public policy advocacy supporting private-sector-led growth and prosperity. BIAC and USCIB enable business to share its voice and inform the OECD's agenda of better policies for better lives. Thank you.

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Nairobi Conference Maps Out Future UN Work on Chemicals

Against the backdrop of growing international attention to the use of chemicals throughout the production and consumption chain, **Helen Medina**, USCIB's director of life sciences and product policy, attended September's Third International Conference on Chemicals Management (ICCM3) in Nairobi, Kenya. The conference was held under the auspices of the UN Environment Program (UNEP).

An overarching issue at the conference was financing and technical resources for implementing the goals of the UN's Strategic Approach to International Chemicals Management (SAICM). SAICM is a voluntary policy framework, implemented in a multi-stakeholder process, with the aim of ensuring that, by the year 2020, chemicals are produced and used in ways that minimize significant adverse impacts on the environment and human health.

"Since SAICM's activities are increasingly dealing with products, downstream users and manufacturers need to be more fully included in the SAICM dialogue," noted Medina. "This means that we need more participation from manufacturers, and that the SAICM process should take their views into account and reflect this in the outcomes."

One of SAICM's main objectives is that information and knowledge about chemicals contained in products "is available, accessible, user friendly, adequate and

appropriate to the needs of all stakeholders." As a step towards fulfilling this objective, UNEP has led a Chemicals in Product (CiP) project.

During ICCM3, it was decided that the CiP project would move forward to develop a proposal for an international voluntary program to facilitate and provide

guidance on how relevant information on chemicals in products along the supply chain and throughout their life cycle can be shared with stakeholders. USCIB intervened during the negotiations to ensure that the proposed voluntary program would not target product categories within the scope of the Globally Harmonized System of Classification and Labeling of chemicals, and that only relevant information is sought from companies. USCIB also stressed that as the project develops it is important to recognize the existing information exchange systems which have already been developed and it underscored the importance of protecting confidential business information.

Other discussion items of interests to USCIB members included decisions on emerging issues such as endocrine disrupting chemicals, hazardous substances in electrical and electronic products, and additions to SAICM's Global Plan of Action.

The issue of endocrine disrupting chemicals (EDC) as a new work stream for

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A graphic for a Coca-Cola sustainability report. The background is a dark red color with numerous white water droplets of varying sizes. On the left, there is a white curved shape resembling a splash or a drop. In the center, there is a white rectangular box with a thin black border containing text. To the right of the box, there is vertical text. At the bottom of the graphic is the Coca-Cola logo in white.

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Committee to the OECD**
www.biac.org



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G20 Looks at Need for Apprenticeships

At an October 1-2 meeting in Geneva, the G20 Employment Task Force considered key elements of successful apprenticeships, and invited business and other social partners to voice its full support for high-quality internship and apprenticeship programs. USCIB Executive Vice President **Ronnie Goldberg**, joined by IOE Secretary General **Brent Wilton**, provided the business perspective, drawing on work pursued jointly with BIAC. Goldberg focused on how apprenticeships fit in the context of youth employment, why this issue is a critical opportunity for G20 engagement, and the steps the IOE and BIAC are taking to scale up opportunities for both internships and apprenticeships.

Business Engages With Emerging Markets on Tax Policy

OECD standards, embodied in a network of over 2,000 bilateral tax conventions, aim to prevent double taxation and ensure the effective resolution of tax disputes when they arise between jurisdictions. In July, a BIAC delegation headed by BIAC Tax Committee Chair **Chris Lenon** (Rio Tinto) made a second trip to Beijing to meet up with top officials of the Chinese Tax Authority for a practical discussion on key issues for business and for China in context of the OECD tax policy agenda. The BIAC tax leadership also traveled to Cape Town, South Africa in May to address the African Tax Administration Task Force on tax capacity-building issues and to participate in the plenary meeting of the OECD Task Force on Tax and Development.

Green Manufacturing Summit

The Confederation of Indian Industry, with the support of BIAC and OECD, organized its "2nd Green Manufacturing Summit" in New Delhi. Bringing together close to 250 high-level representatives of Indian and international business, the Indian government, the OECD as well as other key experts, the summit provided constructive discussion on green manufacturing and complemented Indian efforts of promoting the country as a green manufacturing location.

Responsible Food and Beverage Marketing

ICC recently released a revised Framework for Responsible Food and Beverage Marketing Communications, intended to present a standard, uniformed approach to encourage responsible food and beverage communication, particularly with respect to marketing to children and growing concerns regarding obesity. Prepared by the ICC Commission on Marketing and Advertising, the framework has been revised to align with the relevant revisions of the Consolidated ICC Code on Marketing and Advertising Communication Practices. It sets out business positions regarding the role of commercial communication in our information-focused society, responsible marketing to children, and the importance of marketing to a competitive economy and consumer choice.

How to Improve Mutual Legal Assistance Treaties

The ICC has published a proposal for improving Mutual Legal Assistance Treaties (MLATs) that would foster cross-border communications services, protect essential individual rights, reduce conflict of law difficulties and reduce the risk of countries establishing unnecessary local communications infrastructure requirements solely for crime investigation purposes. The ICC Commission on the Digital Economy prepared the policy statement because modernized MLATs will bring clarity and transparency to the growing challenges of accessing information associated with cross-border communications services.

"Modernizing MLATs so that they reflect the communications landscape can be a "win-win-win" for the broader public interest, governments and communications service providers," said **Eric H. Loeb**, vice president of international external affairs with AT&T and chair of the ICC Task Force on Internet and Telecommunications.

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New No. 2 at Global Employers Body

Brent Wilton, IOE's secretary general, announced the appointment of **Roberto Suárez** as the new IOE deputy secretary general with effect from December 3. With a background in European and international labor law and international relations, Suárez, a Spanish national, has been working as the ILO's program director on youth employment in the Maghreb, based in Tunisia. He has previously held posts as head of the European and international social department of the Spanish employers' confederation CEOE and has worked closely with the IOE on CSR and global industrial relations initiatives.

ILO Mission Expelled From Fiji

In September, the government of Fiji expelled an ILO Mission from the country causing ongoing tension. The ILO refused to agree to terms of reference which denied the mission access to the social partners in ascertaining the full facts surrounding allegations of government violations of workers' rights. IOE Secretary General **Brent Wilton** said: "Freedom of Association rights, which are reportedly being denied to workers in Fiji, also apply to employers' organizations, and have to be respected. We commit our full support to our member there, the Fiji Commerce & Employers' Federation."

Employers Urge European Reform

At an annual meeting in Brussels, employers from across Europe and Central Asia urged governments to continue structural reforms to restore Europe as a "powerhouse" of the global economy. "In view of the huge economic and labor market challenges, governments must remain steadfast in their efforts to improve the business climate and competitiveness. This is the only way to unlock the full potential of Europe and Central Asia and bring about more jobs and growth," said **Pieter Timmermans**, CEO of the Federation of Employers of Belgium.



Business Applauds Bill to Raise Customs Threshold

USCIB has joined 27 companies and business associations in applauding a new bill in the U.S. Senate that would raise the minimum value at which customs duties are imposed on imported goods, calling it a major step forward that would facilitate trade, and a boon to both large and small companies. The bill, S. 3597, was introduced on September 20 by Senators **John Thune** (R. – S.D.) and **Ron Wyden** (D. – Or.). It would raise the "de minimis" value, which is the monetary value below which shipments entering the United States are free from tariffs, taxes or formal customs procedures, to \$800 from the current level of \$200. "Raising de minimis levels helps foster trade, and the jobs that come with it," stated USCIB President and CEO **Peter M. Robinson**. "This bill clearly deserves strong support on its own merits, but we are especially pleased at the timing. It will

reinforce efforts to raise de minimis levels overseas, something we are actively pursuing through the APEC forum and other channels."

Appeal for Action on Russia Trade

In September, the leading associations of the Coalition for U.S.-Russia Trade which includes USCIB, sent a statement to the President and Speaker of the House, to enact legislation extending Permanent Normal Trade Relations (PNTR) with Russia. The statement pushes for a strong bipartisan support for this measure, which will support U.S. exports, jobs and the economy. Russia's WTO accession on August 22 has denied the U.S. the ability to defend its rights in the Russian market and to enforce Russia's WTO commitments. Also out of the United States' reach are many of the key provisions of Russia's WTO accession – such as Russia's adherence to the rules of the international trading system. By not passing PNTR, this will cost U.S. farmers, manufacturers and service providers substantial opportunities for growth in Russia's market, the 9th largest economy in the world and a key emerging market. PNTR benefits the United States, not Russia. ■

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Trans-Pacific Trade Talks Move Forward

USCIB staff were active on the margins of the 14th Negotiating Round of the Trans-Pacific Partnership (TPP), held September 6 to 15 in Leesburg, Virginia. Parties to the TPP – which currently encompasses the United States, Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore and Vietnam – are seeking to negotiate a multilateral pact to liberalize trade and investment across the Pacific region. At the recent APEC Summit in Vladivostok, leaders from the TPP nations issued a statement expressing confidence that their goal was within reach.

During a “stakeholders day” on September 9, **Shaun Donnelly**, USCIB’s vice president for investment and financial services made a presentation on “TPP’s Investment Chapter: A Strong Tool for Economic Integration, Growth, and Jobs.” Donnelly, who co-chairs the TPP Business Coalition’s investment task force, also held informal consultations with negotiators from the United States and other parties, underscoring the importance of a strong TPP investment chapter with binding investor-state dispute settlement provisions. Both in his formal presentation and in follow-up meetings, Donnelly further stressed industry’s strong support for disciplines to assure a level playing field when private companies compete with state-owned or state-supported enterprises.

Nasim Deylami, USCIB’s manager of customs and trade facilitation, joined executives from USCIB member companies FedEx and Levi Strauss at a meeting with the nine chief negotiators on potential public-private partnerships on capacity building for the TPP economies. Deylami made a presentation on existing trade facilitation capacity building initiatives in APEC. The meeting, led by the Center for Strategic and International Studies, also drew participation from the U.S. Chamber of Commerce, Grocery Manufacturers of America, and National Foreign Trade Council.

“Initial indications are that, with a lot of hard work by U.S. and other government negotiators, good progress was made in several key TPP chapters,” commented Donnelly. “But a comprehensive TPP agreement still remains a ways off, and is not a sure thing. USCIB and the U.S. business community continue to press our government and others for a ‘gold standard’ agreement to address the trade and investment challenges of the 21st century – one that is ambitious, comprehensive and enforceable.”

With Canada and Mexico officially joining the negotiating process in October, the TPP now grows to 11 participating countries. The next formal negotiating round is slated for December 3-12 in Auckland, New Zealand. ■

New Portal Showcases Benefits of FDI

In October, USCIB joined with six other business associations to launch a new online information clearinghouse, Investment Policy Central now live at www.investmentpolicycentral.com, highlighting the importance of an open climate for foreign direct investment in driving U.S. economic growth, trade and jobs.

“USCIB has long been a leading voice for open investment policies, on both inward and outward FDI flows,” stated USCIB President and CEO **Peter M. Robinson**. “We are excited about this new website as way to spread our message, and those policies, more widely.”

The business groups said Investment Policy Central will serve as a center of excellence for the most accurate, up-to-date information on the benefits of an open international investment climate. The site presents facts and figures on investment, highlights the benefits of global investment, debunks common investment myths and provides links to a wide range of resources on investment policy. Investment Policy Central will feature timely, relevant content from experts on investment policy. Site organizers said they would welcome suggestions and input from companies, associations, organizations, think tanks, academics and other individuals interested in promoting an open international investment climate.

“USCIB will continue to lead a strong advocacy and education effort on behalf of open investment policies,” Robinson said. “Our message is simple: FDI, both inward and outward, is good for the U.S. economy, for our competitiveness in today’s global marketplace, for U.S. companies and for U.S. jobs.”

The United States is the world’s leading investor nation as well as the largest host country for foreign direct investment. Overall, global inward investment flows now approach \$1.2 trillion, and sales of affiliates worldwide are just under \$30 trillion, far in excess of world trade flows.

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Report on China's WTO Compliance

In October, USCIB submitted its 2012 statement to USTR on China's compliance with its WTO commitments following an earlier Federal Register Notice. USCIB's **Justine Badimon**, manager of the China Committee, worked with members from across industry sectors to compile the latest issues and update areas of last year's report to reflect the current state of affairs.

As in previous reports, USCIB commended the work over the last year of both the U.S. and Chinese governments at maintaining the momentum of important bilateral dialogues such as the U.S.-China Joint Commission on Commerce and Trade (JCCT) and the Strategic & Economic Dialogue (S&ED) as well as several working relationships between U.S. and Chinese agencies, such as the Environmental Protection Agency (EPA) and China's Ministry of Environmental Protection (MEP). Engagement and exchange of best practices with the Chinese government and business community is a productive approach to addressing our current challenges.

While the positive influence of these dialogues and resulting commitments and outcomes is clearly noted, throughout the report USCIB members detail the ongoing concerns with China's compliance with its WTO commitments in horizontal areas (anti-dumping, certification, licensing, IPR, government procurement, market access, regulatory environment, standards, SOEs and

taxation) sector specific concerns (ag bio, audiovisual, chemicals, customs, electronic payments, express delivery, pharma, software, telecommunications) and finally in a third section which gives examples of certification licensing and testing requirements. Across all sectors, members call for more transparency and better efforts at consistency with regard to China's regulatory agencies as well as increased efforts at meeting their WTO obligations.

Following the submission of the Report to USTR on October 18 in Washington, DC the USCIB China Committee and Trade & Investment Committee met for a briefing with **Audrey Winter**, deputy assistant USTR for China Affairs. The meeting was held at the offices of Holland & Knight and chaired by **Tad Ferris**, partner of Holland & Knight and current co-chair of the USCIB China Committee. This was a timely meeting considering the political climate in both countries, the U.S. presidential election and China's 18th Party Congress where Xi Jinping will be officially announced as new party leader replacing President Hu. Winter briefed the group on the current environment of bi-lateral economic relations between the U.S. and China and gave a snapshot of what is currently on the agenda for USTR with regard to China. Winter reported that at this time there is no public date for the next JCCT meetings but there is hope that there may be a meeting before the end of the year. ■

A Multi-Stakeholder Approach to Internet Governance

USCIB and the International Chamber of Commerce (ICC) used their presence at the 7th annual Internet Governance Forum (IGF), held November 6-9 in Baku, Azerbaijan, to reinforce the value of a multi-stakeholder approach to public policy development around the Internet.

David Gross, chair of USCIB's Information, Communications and Technology (ICT) Committee and partner at Wiley Rein LLP, was a featured speaker, providing the business perspective on a plenary panel exploring "Managing Critical Internet Resources." This session examined the implications of the ITU World Conference on International Telecommunications (WCIT) and its review of the International Telecommunications Regulations on the management of Internet resources, among other questions.

In addition, **Joseph Alhadeff**, vice president of global public policy and chief privacy officer of Oracle Corporation and chair of Information, Computer and Communication (ICCP) Committee for BIAC, the Business and Industry Advisory Committee to the OECD, contributed his considerable expertise on global privacy policy to a plenary session, "Security, Openness, and Privacy," which examined issues affecting security and openness of the Internet as it relates to human rights and access to knowledge. **Barbara Wanner**, USCIB's vice president of ICT policy, also attended the IGF.

As part of its focus on the important role that the Internet plays in job creation and economic growth, ICC's BASIS (Business Action to Support the Information Society) initiative held dedicated workshops on two key topics that impact the openness of the Internet and the free flow of information online; 'Solutions for enabling cross-border data flows', in partnership with the Internet Society (ISOC) and 'Technology, economic and societal opportunities and women' in partnership with the Association for Progressive Communications (APC) and the Government of Kenya.

Convened under the UN Secretary General, the IGF is a unique international platform that welcomes frank and open discussion on Internet governance issues. Last year the Forum attracted over 2000 registered participants as well as a host of remote participants.

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USCIB Represents Business at APEC Summit

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Over 50 representatives from U.S. companies attended the summit, which included a full agenda of panel discussions with members of the business community on current trade and economic issues affecting the Asia-Pacific region. Leaders addressing the summit included Russian President **Vladimir Putin**, Chinese President **Hu Jintao**, U.S. Secretary of State **Hillary Clinton**, and Mexican President **Felipe Calderon**.

U.S. participants also took part in the Business Coalition bilateral meetings, which were held parallel to the summit, with senior foreign government officials from the APEC economies including Vietnamese President **Truong Tan Sang**, Chilean President **Sebastian Pinera** (which Robinson chaired) and Chinese Minister of Commerce **Chen Deming**. These bilateral meetings gave the U.S. business community an opportunity for dialogue on APEC and Trans-Pacific Partnership issues and a chance to express concerns about business issues faced in those economies. The coalition also met with U.S. officials including Under Secretary of State **Robert Hormats**, and Deputy U.S. Trade Representatives **Demetrios Marantis** and **Michael Punke**.

One of the most notable outcomes from the ministers and leaders meetings in Vladivostok was agreement on a list of Environmental Goods and Services (EGS) that directly and positively contribute to APEC's green growth and sustainable development objectives. By the end of 2015 applied tariff rates on all environmental goods included on the list are to be reduced to five percent or less.

In a letter to U.S. Trade Representative **Ron Kirk**, Robinson wrote: "Together with agreement by the APEC ministers on a comprehensive approach to trade facilitation and supply chain connectivity – additional high-priority items for USCIB's members – the green goods agreement demonstrates the ability of APEC to tackle and push forward important shared priorities."

In addition to significant agreements on APEC's approach to supply-chain performance and commitments to work toward prevention of local content requirements in the region, USCIB welcomed the formation of a Virtual Customs Business Working Group, which will enhance collaboration with the private sector on customs-related issues. **Nasim Deylami**, USCIB's manager for customs and trade facilitation, played an integral role in creating the Virtual Working Group with the support of USCIB members and U.S. Customs and Border Protection (CBP). We look forward to the progress that this group will bring to maintaining a consistent and meaningful dialogue on customs issues in the APEC arena.

Turning ahead to Indonesia's host year in 2013, USCIB is looking forward to continuing our role ensuring the engagement of the business community in maintaining the positive momentum of work and dialogue in the APEC process. The next APEC CEO Summit will take place October 5-7 in Bali, Indonesia. ■



Chilean President Sebastian Pinera (center left) met with Robinson and other members of the U.S. APEC Business Coalition.

Nairobi Conference Maps Out Future UN Work on Chemicals

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SAICM was contentious. **Derek Swick** (American Petroleum Institute), representing USCIB, actively participated in the negotiations to emphasize the need for continued scientific knowledge on EDCs, and to underline that it was premature to include any work items to examine potential EDCs. USCIB's advocacy successfully limited new endocrine work under SAICM solely to known endocrine disruptors and not to "potential" endocrine disruptors.

The issue of hazardous substances in electrical and electronic products continued to be of high interest to delegates, with African nations in particular voicing concern that, as production of electronics continues to increase, managing the waste and recovery of those products is crucial. Negotiators agreed that SAICM would develop an international set of best-practice resources, including in product design, to minimize the use of hazardous substances.

Another topic of interest to USCIB members was how SAICM's Global Plan of Action might be expanded to address hazardous substances within the

lifecycle of electrical and electronic products, as well as nanotechnologies and manufactured nanomaterials. **Mike Irwin** (Procter & Gamble) followed these negotiations on behalf of USCIB.

Currently, the GPA's list of activities is a menu of non-negotiated items, which countries may choose to undertake in implementing SAICM objectives. USCIB's main concern was that list of activities discussed in Nairobi would be included in the GPA in a manner that would elevate the importance of the activities. After much debate, the additional activities to the GPA continue to remain as list of optional actions which countries can carry out as they continue to implement SAICM.

Sophia Danenberg (Boeing) was also invited to participate in a high-level dialogue of representatives from government, industry and civil society to discuss strengthening SAICM's implementation. She reiterated that, with SAICM's activities increasingly dealing with products, downstream users and manufacturers need to be more fully included in the SAICM dialogue. ■

Why Do Companies Join an Association?

By Abby Shapiro

Senior Vice President, Business Development, USCIB

In associations with renewal rates of 80 percent or higher, what do you think are the main reasons members join? According to the 2012 *Membership Marketing Benchmark Report* conducted by Marketing General Inc., *advocacy and access to specialized and/or current industry information* are cited as the primary reasons members join an association.

That's the heart of what USCIB does, which is why it's not surprising that when we look at the major indicators of membership health – total membership, new members acquired and membership renewals – USCIB continues to show improvement in all three areas.

This comes at a time when the economy has caused many people to reassess what's important to them. USCIB's strength at recruiting and retaining members points to a growing recognition among globally engaged companies of the need to stay informed, and to have their views heard by national governments and at the multilateral forums that shape international regulatory policies.

That's why we need to make sure companies know what a valuable resource they have in USCIB's Policy team, which can provide *expert guidance* on the issues, along with access and advocacy to policy makers worldwide.

That's why we need to make sure companies know that our Policy team can serve as *an extension of their own resources*, to provide an efficient and economical way to leverage their ability to cover the issues.

That's why we need to make sure companies know we're *on the ground and cover more issues* than any one company can do on its own.

And that's why USCIB is experiencing membership growth even as the economy remains fragile, and as memberships in associations come under increased scrutiny to show real value.

...it's not surprising that when we look at the major indicators of membership health – total membership, new members acquired and membership renewals – USCIB continues to show improvement in all three areas.

As we look to 2013, we want to thank you, our members, for your continued support, and ask for your help to spread the word about USCIB to friends and colleagues. Together we can make 2013 even better than 2012.

Contact Abby Shapiro at ashapiro@uscib.org. ■



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Dan Konigsburg, director of Deloitte's Center for Corporate Governance in New York, was recently selected by the BIAC Executive Board as the new chairman of the BIAC Task Force on Corporate Governance. ... The BIAC Executive Board has appointed **John Sullivan**, executive director of the Center for International Private Enterprise, as vice chair of the BIAC Development Task Force, to contribute expertise to the private-sector position in the Steering Committee of the newly-formed "Global Partnership for Effective Development Cooperation."

We welcome **Barbara Wanner**, who was named vice president for information, communications and technology (ICT) in September. Wanner comes to USCIB from the Coalition of Services Industries, where she was director of the Global Services Summit and played a leading role on ICT policy. As the lead staff member supporting USCIB's Information, Communications and Technology Committee, Wanner will work closely with a diverse member base led by the committee's chair, **David Gross** (Wiley Rein), and

its vice chairs, **Joseph Alhadeff** (Oracle) and **Leslie Martinkovics** (Verizon). Important upcoming policy initiatives falling under her and the committee's remit include the UN's Internet Governance Forum and this December's World Conference on International Telecommunications. In addition to her work with the Coalition of Services Industries, Wanner has held positions at the U.S. Asia Pacific Council of the East-West Center, the International Electronics Manufacturers and Consumers of America, the Japan Economic Institute, and on Capitol Hill. She holds a master's degree from Columbia University and a bachelor's degree from Bucknell University. ■



Barbara Wanner

New USCIB Members

We are delighted to welcome the following companies and organizations as the latest additions to USCIB's diverse membership:

Fenwick & West LLP
The Nickel Institute

To learn more about how USCIB membership can benefit your organization, contact **Alison Hoiem** (202-682-1291 or ahoiem@uscib.org).

50 Years of Business at the OECD

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BIAC provides direct links with the private sector employers it represents – through its member organizations, including USCIB – thereby decisively influencing the quality of services the OECD provides. This makes the OECD, while maintaining sovereignty over its work, better able to produce policy guidance that reflects what is happening in the real world, the real economy. This past half century of experience has proven that this mechanism works well, serving effective policy dialogue between business and the OECD.

Moreover, both organizations have grown closer and closer over the years, as exemplified by the support that OECD Secretary General **Angel Gurría** has given to BIAC in recent years. Bringing in the views of business, and of labor, has added to the quality of the organization's policy recommendations and advice.

Some of the significant contributions the OECD has made to building a better global business environment over the years include:

- The OECD was the first to develop the concepts for addressing service industry and intellectual property issues in a trade context 30 years ago.

- It was the first to develop a binding agreement to address corruption in the form of the OECD Anti-Bribery Convention.
- It was the first to tackle issues related to the governance of companies with its Principles of Corporate Governance.



At last year's OECD 50th anniversary celebration in Paris (L-R): Joris Oldenziel (OECD Watch), TUAC Chairman Richard Trumka (AFL-CIO), OECD Secretary General Angel Gurría, Secretary of State Hillary Clinton, BIAC Chairman Charles Heeter (Deloitte).

- It was the first to address export credit subsidies.
- The first to warn of investment protectionism.
- And now it is the first to address the potentially distorting effects of state-owned enterprises and the need for competitive neutrality.

The list could go on, but the point is clear – all these initiatives and instruments have improved the ability of companies to compete in the global marketplace on a fair basis.

The pace of change in today's business world is fast and unrelenting. BIAC and its member federations believe in the importance of an international

organization that brings our societies together to address global issues on the basis of facts, analysis, experience and reason – as the OECD has done so successfully for the past 50 years.

To learn more about BIAC and the business role at the OECD, please visit www.biac.org.

ICC 8th World Chambers Congress

April 22-25, 2013

Qatar National Convention Center
Doha, Qatar

This unique international forum will gather chamber and business leaders from more than 100 countries to develop and strengthen partnerships, exchange best practice, and network with members. Chamber leaders will also be joined by a peer from each of the world's 48 least developed countries, thanks to the support of the Qatar Chamber of Commerce and Industry. Under the theme "Opportunities for All," the 8th World Chambers Congress will feature dynamic plenary sessions and interactive working sessions on topics at the heart of a chamber's local and international agenda. These include SMEs and the world economy, education and unemployment, women in business, and youth entrepreneurship. Returning to the Africa – Middle East region, the 2013 gathering marks the first Congress visit to the MENA region, providing opportunities for all. The Congress is not only an ideal occasion to develop new business opportunities with Qatar and the region's leading companies, but also to promote worldwide trade and investment opportunities with delegates' respective countries, regions and business communities. Please visit www.worldchamberscongress.com to register to take advantage of a special early-bird promotion. ■

Save the Date!

4th Annual ICC Asia-Pacific Conference

May 16-18, 2013

Seoul

The aim of this two-day conference is to spark a spirited debate among panelists and participants from both sides of the Pacific as they discuss trends in international arbitration practice in the Asia-Pacific region. Arbitrators, legal practitioners, in-house counsel, and academics who wish to know more about developments in arbitration in the Asia-Pacific are encouraged to attend. For more information, please visit www.iccnorthamerica.org or contact **Alexandra Akerly** (aay@iccwbo.org). ■

7th Global Congress on Combating Counterfeiting and Piracy

April 24-26, 2013

Lufti Kidar Convention Center
Istanbul

Counterfeiting and piracy infringe on intellectual property rights and, in diverse economic and societal realities, pose a direct threat to consumer health and safety, fair labor legislation, legitimate competitive markets and sources of revenue for national governments and businesses. With the aim of enhancing public awareness and designing concerted action, the 7th Global Congress will explore awareness and education, building respect for IP, supply chain security – connecting the dots between supply and demand, capturing the elusive infringer on the internet, determining jurisdiction in cross-border cases, technology as a key driver, operational enforcement activities as a result of customs capacity building, building capacity to combat transnational organized crime, public-private partnerships and other self-regulatory mechanisms. Simultaneous interpretations will be provided in English, French and Turkish.

The Congress is structured to encourage maximum interaction among the 1000 expected participants, including: high-level government officials, business leaders, senior law enforcement officials, judges and lawyers, intergovernmental and non-governmental organizations, consumer groups and academics. For details on the program, speakers and registration, visit www.ccapcongress.net. ■



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calendar

january 2013

15-16	Paris	ICC Digital Economy Commission
16-17	Paris	ICC Marketing & Advertising Commission
Jan 31 – Feb 1	Palo Alto, CA	3rd Annual Pacific Rim Tax Institute

april 2013

21	Doha, Qatar	ICC Trade and Investment Policy Commission
23-24	Paris	ICC Commission on Environment & Energy
26	Paris	ICC Commission on Commercial Law & Practice

may 2013

16-18	Seoul, Korea	Fourth Annual ICC Asia-Pacific Conference
23	Paris	ICC Commission on Arbitration
28-29	Paris	OECD Forum 2013
29-30	Paris	OECD Ministerial

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USCIB Ramps Up Social Media Presence

USCIB is active on a number of top social media platforms, with the goal of promoting greater awareness for our views and policy priorities, interacting with users of our essential trade services, and informing the public about the importance of international trade and investment in driving growth and prosperity. USCIB is on the following social media platforms:

Follow @USCIB on **Twitter** to join a network of more than 1,000 followers and get breaking news, event announcements and special offers. (Other USCIB Twitter accounts: @ATACarnet, @ICCBBooksUSA)

Members and friends can use **Facebook** to keep up with USCIB, view photos from recent events, share links and videos and learn about many of the public policy issues we follow. (Other USCIB Facebook pages: ATA Carnet)

LinkedIn is an interconnected network of professionals from around the world. USCIB maintains a LinkedIn group that encompasses more than 1,000 members, friends and staff (including former staff). Requests to join USCIB's group are reviewed promptly by the group administrator.

YouTube is the popular video-sharing site. USCIB's page has videos of many recent events, promotional messages, issue-oriented advertisements and more.

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