



In view of the Summit, G8 Business renew their recommendations to G8 governments

Joint Press release - 6th July 2009

As leaders of G8 are gathering for their 2009 Summit in L'Aquila on 8th July under the Italian Presidency, the largest and most representative G8 Business associations urge renewed attention to three major issues: the response to the financial and economic crisis, free trade and investment and the need to tackle climate change. We stand by our recommendations delivered to G8 Presidency on 24th April 2009 in Santa Margherita di Pula, Italy, and encourage political leaders to treat business community as partners in addressing the most urgent challenges of today and the driving force in resuming economic growth.

1. The response to the financial and economic crisis.

Governments must increase international coordination on an ongoing basis - involving the leading emerging economies and the G20 - on economic policies and fiscal stimulus measures. The emergency measures currently deployed to counteract the financial crisis will need to be unwound in a way that does not create new serious impediments to entrepreneurs. Policy choices should ensure the credibility and reliability of international financial markets and rejection of protectionism in all fields. Basel II should be reviewed to reduce its pro-cyclical effects while the IMF's role and capacities must be further enhanced. Regulation must strengthen and encourage transparency while not impeding responsible innovation in financial markets. Enhanced public disclosure for market operators (investors, authorities) should also be provided. G8 Business calls on governments to review the cross-border supervision of rating agencies in order to carry out the necessary oversight, manage conflicts of interests and assure transparency and quality to the rating process. A common system of public support for trade insurance should be established to ensure that companies have access to the necessary levels of trade credit, while avoiding competitive distortions. Financial reporting and fair value measurement must be differentiated according to stakeholders interests, type of financial instruments and relevance of the measurement model for the users, in order to balance the cost of new accounting rules and the benefits of disclosure.

2. Free trade and investment.

G8 Business calls on governments to conclude the Doha Round with an ambitious and balanced agreement in 2009, building on all the progress already made, while refraining from raising new barriers to trade and investment under a strengthened monitoring system. In times of declining trade volumes and growing cost of access to capital, G8 leaders should also search collectively for new ways to facilitate trade through rational and coherent application of security policies. A flow of funds should be mobilized to increase growth potential and expand domestic and regional effective demand in developing countries. We call on the G8 governments to encourage the multilateral development institutions to adjust their funding policies and practices to the imperatives of the global recession in way that enables and provides incentives for private investment in the developing markets. Non discriminatory markets for raw materials should be promoted. G8 Countries should commit to full reciprocity in this field. G8 Business is willing to promote skilled labor market mobility in an open services market. Any restriction to foreign investment should be gradually eliminated and be predictable, transparent, accountable, and no more restrictive than necessary. Investment and investor's rights must be protected; particular attention must be given to the respect and to the concrete enforcement of the TRIPS Agreement. G8 Countries should coordinate closely in fighting illicit trade practices such as counterfeiting and piracy. G8 Governments must abstain from adopting provisions that lead to discrimination against foreign investors, including SWFs who should meanwhile, undertake measures to ensure transparency and accountability.

3. Tackling climate change: the road to Copenhagen.

The G8 Business call on governments to agree on clear, equitable and firm worldwide commitments to emission reductions at COP15 in accordance with the principle of common but differentiated responsibilities and respective capabilities. G8 Business also calls on all non-industrial economic contributors including transportation, housing, farming, consumers and public sector to contribute to emission reduction while balancing the return to economic growth, with environmental needs, energy security and industry competitiveness. Discriminatory measures must be rejected, with a view to ensuring a level playing field. Greater investment in research and development should be supported and collective G8 coordination of fundamental research and development in this area should be a major priority of political leaders. G8 Business are convinced of the need to explore the potential of sectoral approaches and the full variety of policies to address greenhouse gas emissions. Policies should be tailored to work with national priorities and capabilities. All energy options have to be pursued to promote a balanced and non discriminatory energy-mix, including traditional, renewable and nuclear energy sources while exploiting fully the potential of energy efficiency. To facilitate the commercial diffusion of energy efficient and low carbon technologies, G8 countries should actively promote freer trade, investment liberalisation and support strong rules for intellectual property rights protection. This will enable companies from around the world to invest in and deploy new technologies in the most cost-effective manner. More specifically, all countries should drop “buy local” clauses in their stimulus plans as this will undermine the effective deployment of green technologies.