

Paris, 21 September 2009

Dear Mr. President,

In advance of your hosting the 24-25 September Pittsburgh G20 Summit, BIAC, the Business and Industry Advisory Committee to the OECD, would like to express our strong support for the OECD's involvement in and substantive contribution to the G20 process.

Due to the magnitude and global nature of the financial and economic crisis, it is of vital importance to take a broad and inclusive approach to address and resolve flaws in the global economic and financial system. In this regard, the OECD is well positioned to play a leading role in developing credible policy guidance to support the G20 decision makers.

We welcome the quick and decisive leadership that you and other world leaders have provided to stabilise the financial sector and provide stimulus to restore economic growth. While there are signs of recovery, primarily driven by government intervention, the situation remains uncertain with significant risks. The jobs crisis continues.

As the voice of the OECD business community, we believe that achieving a sustainable economic recovery and employment growth will require continued government leadership in the following key areas:

- **Financial Markets Stabilisation.** Reinvigorating capital flows and increased business access to credit are the prerequisites for the recovery of the real economy and labour markets.

Effective governance and oversight in the financial sector would have helped to avoid the excessive risk taking that led to the financial crisis. Business encourages the G20 governments to focus reforms on more effective regulation across all policy areas in support of well functioning markets that underlie economic and social benefit.

We recognise the current focus by leaders on compensation issues. These business issues should be addressed in conjunction with stakeholders to ensure that all dimensions of the issue are well considered and understood before any regulatory decisions would be introduced.

- **Employment creation.** Jobs may be retained or created by short term stimulus and emergency measures, but policies must primarily encourage enterprise creation, innovation, effective education and training, as well as support trade and investment activity. Governments should ensure that regulation supports labour market flexibility and mobility.

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- **Open markets.** International trade and investment are key drivers of global growth. Protectionism at any time is counterproductive. Business welcomes the results of the OECD, WTO and UNCTAD combined report and urges G20 leaders to resist the temptation to impose new trade barriers in order to protect jobs.
 - **Climate Change.** Economic recovery and environmentally and socially sustainable economic growth are key challenges that need to be urgently addressed. The Pittsburgh Summit represents a key opportunity for G20 leaders to advocate for a well-balanced Copenhagen Agreement on climate change.

Business appreciates the concerted efforts by G20 leaders to develop broad consensus necessary for recovery from the crisis. Effective solutions are best found through constructive dialogue among all major stakeholders – international organisations, governments, business, labour and civil society.

At the same time, we encourage G20 leaders to incorporate the OECD into the G20 process in the areas where the OECD has comparative advantage, such as peer review and its multi-stakeholder consultative process, when developing its advice on best policy options to foster sustainable growth.

We look forward to working with you and other G20 leaders to achieve practical policy approaches across all issues necessary to support sustainable economic activity and enterprise growth.

Respectfully,



Charles P. Heeter, Jr.
BIAC Chairman

The President of the United States
The White House
Washington, D.C. 20500

Cc: H.E. Ms. Karen Kornbluh, Head of the United States Delegation to the OECD
Mr. Angel Gurría, OECD Secretary-General

Founded in 1962 as an independent organisation, the Business and Industry Advisory Committee to the OECD (BIAC) is the officially recognised representative of the OECD business community. BIAC's members are the major business organisations in the OECD member countries and a number of OECD observer countries.