

THE OECD MEANS BUSINESS.



How U.S. business engages with the
Organization for Economic Cooperation and Development

USCIB

BIAC



WHAT IS THE OECD?

Founded in 1961, the 30-nation Organization for Economic Cooperation and Development (OECD) provides a unique forum for governments to work together to collectively address the economic, social, and governance challenges of global integration and to realize globalization's opportunities. Known by many for its highly reliable economic statistics and forecasting, the Paris-based OECD provides the setting, necessary information, and analysis for member governments to compare policy experiences, seek answers to common problems, identify best practices, and coordinate domestic and international policies. A commitment to sustainable economic growth is at the heart of the OECD's activities and its effectiveness in shaping economic, social, and environmental issues at the national and international levels. In recent years, the OECD has expanded its membership to include new member countries, while also offering its analytical expertise and accumulated experience to more than 70 developing and emerging-market economies. The United States helped found the OECD and remains one of its most active members.

"The OECD seeks to improve the quality of governance for business and markets by promoting open markets, a level playing field, and sound regulation. Our unique relationship with the business community makes us stronger, wiser, and more sensitive to the issues of the private sector."

Angel Gurría
Secretary General, OECD

WHAT IS THE OECD'S VALUE TO BUSINESS?

The OECD's activities have a direct bearing on the ability of multinational firms and exporters to compete and succeed in the global marketplace. These include:

- Addressing cutting-edge global regulatory matters (e.g., trade, taxation, new technologies, antitrust, corporate governance, foreign investment, chemicals) through a highly developed intergovernmental system of expert committees.
- Providing comparative data, analysis, and forecasts on member states, as well as policy analysis and guidance for both members and non-members such as China, India, and Russia.
- Formulating binding multilateral agreements in such areas as anti-bribery, balance of payment, foreign investment, and steel.
- Providing a neutral, cooperative forum for discussing especially long-term or difficult economic, social, environmental, and other regulatory matters.



Above: (Left to right) Clarence Kwan, Chair of the BIAC Task Force on China, Kenneth Davis, OECD Senior Economist, and Brenda Horrigan, Chair of the BIAC Task Force on the Newly Independent States, together at U.S. Business Day.

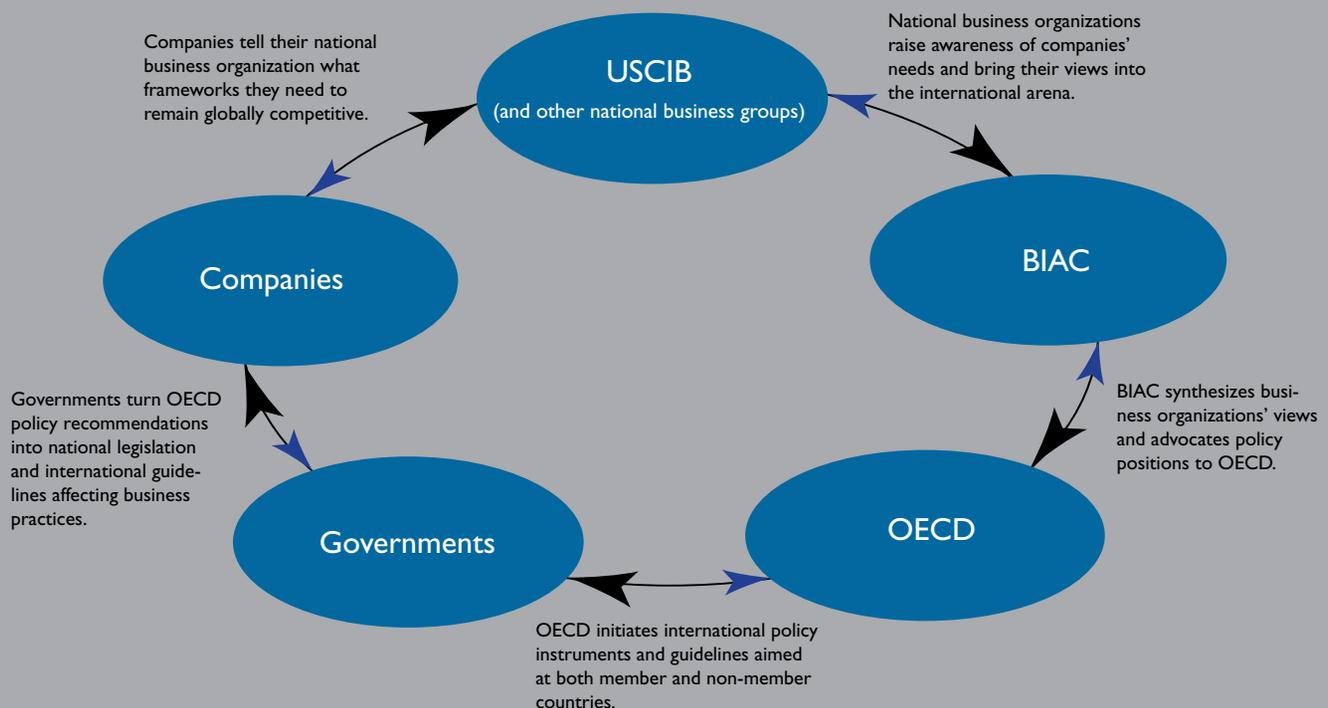
Front cover: (Left to right) Angel Gurría, OECD Secretary General, and Ban Ki-Moon, United Nations Secretary General, discuss improving access to safe water in developing countries at a recent meeting.

HOW U.S. BUSINESS CAN GET INVOLVED

Since its founding in 1961, the OECD has afforded the business community a seat at the table in major policy discussions—indeed, the business community has been the catalyst of many important OECD initiatives. The Business and Industry Advisory Committee to the OECD (BIAC), based in Paris, serves as the voice of OECD business on behalf of its membership, which is composed of the major industrial and employer organizations in the 30 OECD member nations, along with observers from non-member countries. BIAC members participate in OECD meetings and consultations with OECD leadership, government delegates, committees, and working groups and serve as a vital source of business advice and experience to contribute to OECD's work. (A corresponding group for labor, the Trade Union Advisory Committee to the OECD, was also established in the early 1960s.)

In the United States, BIAC's affiliate is the United States Council for International Business (USCIB), an organization founded in 1945 that encompasses America's top global companies. USCIB provides views to governments through BIAC and two other major international business groups—the International Chamber of Commerce and the International Organization of Employers—as well as via direct advocacy with the U.S. government. USCIB's advocacy work is guided by a number of issue-specific policy committees, providing executives with an easy way to plug in to the work of the OECD and other major international organizations. It consults frequently with USCIB member companies on key OECD matters. USCIB also provides a broad array of commercial services for exporters and others doing business overseas.

How the OECD affects business, and how business can influence international policy outcomes—
an iterative process and a two-way dialogue



EXAMPLES: GLOBAL BUSINESS LEADERSHIP AND THE OECD

- **Emerging Markets:** BIAAC members are contributing to the OECD's regulatory review of China, which seeks to benchmark the country's laws and policies against international best practices to further improve China's economic performance. BIAAC has expanded its work on emerging markets to increase its focus on India and Brazil, in addition to continued work on Russia and the former Soviet states, the Middle East, and North Africa.
- **Health Care:** Working through BIAAC, American businesses provided strong input to the OECD's work on innovation and health care (including biohealthcare, pharmacogenomics, and management of human genetic databases), and also contributed to an OECD project on pharmaceutical pricing and health data.
- **Taxation:** Business is actively engaged with the OECD on such critical issues as transfer pricing and the reduction on double taxation in bilateral tax agreements.

“Business is the main engine in the increasingly globalized economy; thus strong BIAAC-OECD collaboration is indispensable for the policy formation needed to improve the business environment that fosters economic growth and job creation.”

Tadahiro Asami
Secretary General, BIAAC

Spotlight: Anti-Corruption

The OECD negotiated and monitors the implementation of the Anti-Bribery Convention, which applies prohibitions against overseas bribery, such as those of the U.S. Foreign Corrupt Practices Act, to companies based in all 30 member countries. The result has been a more level playing field for companies competing for government contracts and has directly benefited U.S. firms.



Above: (Left to right) Catherine Tissot-Colle of the French Employers Federation, MEDEF, and Chair of the BIAAC Environment Committee speaking with Mats Olsson, OECD Economic Policy Committee Chair, at a November 2006 consultation.

DID YOU KNOW?

- The OECD's work on mutual acceptance of data and testing of chemicals saves business and member governments tens of millions of dollars annually.
- The OECD's sister agency, the International Energy Agency (IEA), is the primary international vehicle for maintaining oil-market stability in times of crisis. The decision by IEA countries to draw down up to 60 million barrels of oil calmed the market and moderated the price rise in the wake of Hurricane Katrina.
- The OECD Principles of Corporate Governance are used around the world as a model for national law and policy. In addition, the OECD's Guidelines for Multinational Enterprises are the only government-approved principles for corporate responsibility. Both were developed in close cooperation with business, labor, and other private groups.
- With strong business support, the OECD launched a major research effort aimed at providing a comprehensive understanding of the harmful effects of counterfeiting for businesses, consumers, and governments.
- Over 2,000 bilateral tax treaties worldwide are based on the OECD's model tax convention, and the OECD's transfer pricing guidelines are the basis for legislation in all OECD member countries.



Spotlight: Taxation

The OECD serves as an increasingly influential forum for discussing and coordinating international tax rules. Its model tax treaty and transfer pricing guidelines provide essential policy guidance to tax authorities worldwide, and their elaboration has come about largely through close work with multinational business. For the past three years, USCIB and BIAC have held highly successful conferences to showcase the OECD's work on key tax topics for senior executives and the Congress. The conference also serves as an interactive forum for companies to contribute to the OECD's work.

Left: Senator Orin Hatch addressing the USCIB and BIAC at the OECD and International Taxation Conference in June 2006.

GLOBAL BUSINESS AGENDA: TOP PRIORITIES FOR THE FUTURE

- **Trade and investment:** The OECD is playing a leading role in combating investment protectionism and continues its role in providing fact-based analysis to trade negotiators.
- **Energy:** With energy markets in constant flux, companies will increasingly look to the OECD's IEA to predict future trends.
- **Environment:** Diverging rules between the U.S. and Europe make the OECD's role critical in chemicals regulation and issues related to product take-back.
- **Innovation:** Is an increasing challenge in such areas as chemicals regulation, biotechnology, and nanotechnology. The OECD can provide an important, neutral forum for international discussion on these issues, and USCIB intends to utilize BIAC as a key channel for making U.S. business views known.
- **Water:** As an example of how the OECD takes on new and emerging issues, Secretary General Angel Gurría has sought to focus government attention on the need to expand the global supply of usable water and the financial mechanisms necessary to achieve this.

“USCIB is a proud member of BIAC and contributor to the activities of the OECD. As the organization that promotes American business interests around the world, USCIB sees as its duty to engage in the policy development of the OECD, including trade, investment, and the environment, as they critically affect the long-term success of our member companies. USCIB actively engages its members' views and presents these to the OECD—a forum that really can make a difference.”

William G. Parrett
CEO, Deloitte
Chairman, USCIB



Above: (Left to right) Peter Robinson, President, USCIB; Angel Gurría, Secretary General, OECD; and Charles Heeter, Chairman, BIAC.

“Among international organizations, the OECD is the strongest, most effective proponent of open, competitive, innovative market economies.”

Ambassador Constance A. Morella
U.S. Representative to the OECD and former member of Congress

HOW CAN MY COMPANY GET INVOLVED?

USCIB and BIAC provide the official point of entry for American business to participate in the work of the OECD. For more information on how to get involved, contact the USCIB's Membership Department at +1 212 703 5064 or membership@uscib.org.

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