

ICC summary of the Hangzhou G20 Leaders' Communiqué

Overview

On 4-5 September 2016, G20 Leaders met in Hangzhou, China, to continue their collective actions towards achieving strong, sustainable and balanced growth. The chapeau of the Summit Communiqué recognized that closer partnership and joint action by G20 members will boost confidence in, foster driving forces for and intensify cooperation on global economic growth, contributing to shared prosperity and better well-being of the world. Leaders emphasized their resolve to foster an innovative, invigorated, interconnected and inclusive world economy to usher in a new era of global growth and sustainable development.

ICC welcomes the Leaders' Communiqué and associated commitments and is pleased that the G20:

- i. pledged to enhance an open world economy by working towards trade and investment facilitation and liberalization,
- ii. committed to ratify the WTO Trade Facilitation Agreement by the end of 2016 and called on other WTO members to do the same,
- iii. reiterated opposition to protectionism on trade and investment and extended its standstill and rollback commitments till the end of 2018,
- iv. introduced the G20 Guiding Principles for Global Investment Policymaking,
- v. further outlined commitments to energy and climate challenges,
- vi. drew attention to the importance of protecting intellectual property rights, and
- vii. endorsed a G20 Action Plan on the 2030 Agenda for Sustainable Development.

ICC views on the G20 Leaders' Communiqué

This year ICC contributed significantly to the development of – and fully endorsed – the 20 principle B20 China 2016 policy recommendations addressing SME Development, Trade and Investment, Infrastructure, Financing, Employment and Anti-corruption. The B20 recommendations were presented to China's President Xi Jinping at the B20 Summit, held on the eve of the G20 Leaders' Summit.

It is rewarding to see progress and gratifying to receive endorsement from G20 Leaders on the crucial role of B20 contributions. The following sections delineate ICC's initial views on the substantive outcomes from Hangzhou, focusing on elements that are central to ICC's work.

Supporting a strong multilateral trading system

ICC welcomes G20 Leaders' recognition of the importance of a rule-based, transparent, non-discriminatory, open and inclusive **multilateral trading system**, with the World Trade Organization (WTO) playing the central role in today's global trade. Leaders pledged to work together with all WTO members with a sense of urgency and solidarity to achieve positive outcomes of the 11th WTO Ministerial Conference (MC11) and beyond. The specific commitment to shape the post-Nairobi work and **commit to advancing negotiations on the remaining DDA issues** as a matter of priority, including a commitment to ratify the Trade Facilitation Agreement by end of 2016, however, **must be followed with commitments** in national capitals.

ICC routinely calls on the G20 to eliminate **trade protectionism** and other barriers to open trade, and was therefore pleased that G20 Leaders reaffirmed their rollback on protectionist measures and longstanding commitment to standstill until end 2018. These commitments, however, come across as hollow in the face of recent reports showing that protectionism is rising at unprecedented rates. Against a growing chorus of anti-trade rhetoric, there is no room for political posturing; G20 Leaders must put words into actions.

ICC also agrees with the G20's analysis that the **benefits of trade** and open markets must be more effectively communicated to the wider public. It's vital that business and governments explain how and why trade matters for all. For these reasons, ICC has launched the global [#TradeMatters](#) initiative to showcase the benefits of trade to growth, employment, SME opportunities and sustainable development.

Plurilateral sectoral tariff initiatives have tremendous potential to further liberalize trade, and recent developments at the WTO have laid the ground for more sectoral agreements. ICC therefore welcomes the explicit recognition by G20 leaders that new trade issues, including those addressed by the B20, may be of common interest and thus may be legitimate issues for discussions in the WTO. In particular, Leaders' noted that WTO-consistent plurilateral trade agreements with broad participation, such as the WTO Environmental Goods Agreement (EGA), can play an important role in complementing global liberalization initiatives.

ICC has called on the G20 to lend powerful support in advancing strategically important initiatives related to **trade financing, which is critical to international development**, economic value creation and global inclusion. ICC therefore welcomes the *G20 Strategy for Global Trade Growth*, under which the G20 will lead by example to lower trade costs, harness trade and investment policy coherence, boost trade in services, address trade and development and enhance trade finance.

Investment

ICC strongly supports Foreign Direct Investment (FDI) as an effective tool to foster economic growth and sustainable development and routinely calls on governments to maintain and strengthen investment protection and promotion agreements. **ICC is therefore encouraged by the development of the G20 Guiding Principles for Global Investment Policymaking**, which establish nine non-binding principles to foster an open, transparent and conducive global policy environment for investment.

The *Principles* correspond to a longstanding ICC recommendation for the G20 to intensify multilateral investment policy coordination and they represent a historic step toward bridging some 3,300 international investment agreements currently in place. Notably, the G20 principles highlight the importance of avoiding protectionism in cross-border investment; establishing open, nondiscriminatory, transparent and predictable conditions for investment; enhancing protection for investors and investments; promoting sustainable development; and encouraging responsible business conduct and corporate governance.

Sustainable development

The G20 pledged to enhance policy coherence on sustainable development and align its work with the universal implementation of the 2030 Agenda for Sustainable Development by setting an example through bold, transformative collective and intended national actions in a wide range of areas.

To that end, Leaders' endorsed the *G20 Action Plan on the 2030 Agenda for Sustainable Development*, which includes high-level principles to ensure that members' actions **contribute to implementing the UN Sustainable Development Goals (SDGs)**. ICC is pleased that the G20 placed sustainable development high on the G20 agenda, which should give much needed momentum to the implementation of the SDGs. ICC is shepherding the many businesses already playing a leading role in promoting sustainable development and encouraging others to join the [ICC Business Charter for Sustainable Development](#). With the right support and incentives from government, ICC is showcasing that business can do much more. It's therefore 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 anti-corruption training tools to curb the negative impact of corruption on investment, global growth and financial stability. ICC was therefore **pleased to see the G20 endorse the 2017-2018 G20 Anti-Corruption Action Plan**. To carry forward this work, the G20 asked the Anti-Corruption Working Group to develop an implementation plan before the end of 2016.

ICC recognizes and values the ongoing cooperative role between the G20 and B20, and stands ready to complement the work of the G20 Anti-corruption Working Group, including through the development of training products to help companies implement effective compliance programs. ICC welcomes the G20's efforts to **work with business to strengthen the fight against all forms of corruption** and underscores the importance of strengthening anti-corruption capacity-building, particularly within the SME sector, and giving greater emphasis to existing self-regulatory codes.¹

It is also critical to improve enforcement of existing anti-corruption frameworks – instead of creating additional institutional structures or processes – with a priority on **implementation of the UN Convention against Corruption (UNCAC)**, through improved monitoring and peer review. ICC is therefore pleased that the G20 reaffirmed the call for ratification by all the G20 members of the UNCAC and welcomed the launch of the second cycle of its review mechanism.

Energy and climate change challenges

ICC is pleased that the Hangzhou Communiqué maintained a strong focus on energy and climate change, building on the unprecedented attention to these issues in the 2015 Antalya Leader's Communiqué.

Specifically, G20 leaders agreed to explore innovative collaborative arrangements for **international cooperation on energy efficiency**. They also endorsed the *G20 Voluntary Collaboration Action Plan on Energy Access*, the *G20 Voluntary Action Plan on Renewable Energy*, and the *G20 Energy Efficiency Leading Programme*; and called on G20 energy ministers to follow up implementation of these plans.

¹ See [ICC's suite of publications, private sector rules, guidelines and other tools](#)

ICC is pleased that the G20 has recognized several of the business priorities outlined in the paper "[Six steps to energy sustainability and security](#)", developed by the ICC G20 CEO Advisory Group. In line with the *Brisbane G20 Principles on Energy Collaboration*, Leaders reaffirmed their commitment to building well-functioning, open, competitive, efficient, stable, transparent energy markets, fostering more effective and inclusive global energy architecture to better reflect the changing realities of the world's energy landscape, and shaping an affordable, reliable, sustainable and low greenhouse gas (GHG) emissions energy future while utilizing energy sources and technologies.

On Climate, Leaders committed to complete their respective domestic procedures in order to join the Paris Agreement. They also affirmed the importance of fulfilling the UNFCCC commitment by developed countries in providing means of implementation including financial resources to assist developing countries with mitigation and adaptation actions in line with Paris outcomes. Business fully supports this pledge and ICC calls on all governments to **ensure that the Paris Agreement enters into force by the end of 2016**. Notably, on the eve of the G20 summit, US President Barack Obama and Chinese President Xi Jinping announced that both countries would formally adopt the Paris Agreement and outlined new plans for expanding their joint efforts on climate change.

Taxation

ICC fully supports the G20's goal for a globally fair and modern international tax system and supports the G20-mandated *OECD Base Erosion and Profit Shifting (BEPS)* Action Plan as an important first step in tackling tax avoidance. Most importantly, ICC believes that implementation of BEPS should take place in close cooperation with business to **ensure the reforms are both practicable and effective**. ICC also stresses the necessity to ensure that all countries work together towards a consistent international tax landscape.

ICC therefore welcomes the G20's support for a timely, consistent and **widespread implementation of the BEPS package** and fully shares the G20's call for all relevant and interested countries to join the BEPS framework on an equal footing.

ICC is also pleased that the Communiqué recognized that rational tax policy tools can promote innovation-driven, inclusive growth; and that tax certainty can drive investment and trade. Consequently, ICC welcomes the Leaders' call for the OECD and IMF to continue working on the issues of pro-growth tax policies and tax certainty.

Intellectual property (IP) protection

ICC is pleased that the Hangzhou Communiqué made several references to the **importance of protecting Intellectual Property Rights (IPR)**, including recognizing the key role of adequate and effective IPR protection and enforcement to the development of the digital economy. Leaders also emphasized the importance of open trade and investment regimes to facilitate innovation through IPR protection and encouraged more cooperation on standards, adequate and effective IPR protection in line with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs).

ICC has long sought to safeguard companies from IP theft and protect consumers from economic, health and safety **risks associated with trademark counterfeiting and copyright piracy**. The inclusion of several references to IP protection in the Hangzhou Communiqué signals much needed attention to the value of IP and the risks associated with IP theft. 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 **seventh consecutive year** ICC has served as a strategic partner in the B20 process and contributed significantly to the development of B20 recommendations, including: serving as B20 network partner, members from the ICC G20 CEO Advisory Group holding leadership positions in four of the five B20 China task forces, and company experts advancing a number of ICC priorities in the areas of trade and investment, infrastructure, energy, anti-corruption and SME development.

ICC First Vice Chairman John W. H. Denton, CEO of Corrs Chambers Westgarth, led a delegation of CEOs to the Summit in Hangzhou, including members of the ICC G20 CEO Advisory Group:

- Jean-Sebastien Jacques, CEO, Rio Tinto
- Frank Ning, CEO, Sinochem
- Peder Holk Nielsen, CEO, Novozymes
- Khalid Alireza, Chairman, National Petrochemical Industrial Company
- Victor Chu, Chairman, First Eastern Investment Group
- Cheri Nursalim, Vice Chairman, Giti Group
- Kimball Chen, CEO, Energy Transportation Group
- Alexander Shokhin, President, Russian Union of Industrialists and Entrepreneurs
- Rifat Hisarcikloglu, Chairman, Eskihisar Group and President of the Union of Chambers and Commodity Exchanges of Turkey (Turkey)
- Robert Milliner, Advisor to the CEO, Wesfarmers
- Alfred (Che Wei), Vice President, Danfoss China
- Victor Dosoretz, Chairman, ICC Argentina
- Chris Southworth, Chairman, ICC UK
- John Carroll, Chair of ICC UK Trade & Investment Committee / Santander UK
- Ghislaine Weder, Assistant Vice President, Nestlé
- Alexander R. Malaket, President, OPUS Advisory Services International

Keynote address by President Xi Jinping: The B20 Summit commenced with a 45-minute keynote address by H.E. Xi Jinping, President of the People's Republic of China. The President outlined China's steps for reform and development, China's policy proposals on improving global economic governance and his high expectations on the business community to deliver shared economic growth and prosperity.

ICC participation: ICC CEOs participated in five of the six panel discussions at the B20 Summit together with H.E. Jacob Zuma, Prime Minister of South Africa, H.E. Justin Trudeau, Prime Minister of Canada, H.E. Malcolm Turnbull, Prime Minister of Australia and H.E. Mauricio Macri, President of Argentina.

Press and social media: ICC CEO's participated in a number of interviews on the ground in Hangzhou and ICC released several web stories around the event:

- [G20: Seven steps to sustained economic growth](#)
- [G20 Summit: ICC high hopes for marked progress](#)
- [Business says G20 action must match words to tackle trade crisis](#)

As part of ICC's social media outreach, ICC also published an online series of CEO views before and during the Summit. <https://twitter.com/iccwbo/>

Policy papers: ICC published two policy papers for G20 Leaders consideration ahead of the Hangzhou Summit:

- [*ICC policy recommendations to G20 Leaders – a supplement to B20 China Policy recommendations*](#), shared with G20 Sherpas in August.
- [*Six steps to energy sustainability and security*](#), shared with G20 Energy Ministers ahead of the G20 Energy Ministerial in July.

Conclusions

As the voice of international business, ICC has a clear stake in the success of the G20 – and, through the CEO-led ICC G20 Advisory Group, ICC continues to play a strong and valuable 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 German G20 Presidency in 2017 and Argentina in 2018.

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 CCPIT Chairman JIANG Zengwei and B20 Sherpa YU Ping for hosting a successful B20 and look forward to assist B20 Germany as it prepares for the next cycle.