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*At the signing of the updated OECD Guidelines for Multinational Enterprises: L-R: Joris Oldenzien (OECD Watch), TUAC Chairman Richard Trumka, OECD Secretary-General Angel Gurría, US Secretary of State Hillary Clinton, and BIAC Chairman Charles P. Heeter*



*USCIB Chairman Harold McGraw III speaking in a panel discussion on the topic of "Bringing People Back to Work"*

## Business Advises OECD Ministers on Private-Sector-Led Growth

Business leaders delivered important messages on strengthening private-sector-led growth to Government Leaders and Ministers, at the 50<sup>th</sup> Anniversary OECD Ministerial Council Meeting (MCM) on May 25-26.

Led by BIAC Chairman Charles P. Heeter, business highlighted the important role that the OECD plays in assisting countries to move towards strong, sustainable and balanced economic growth.

In order to realise this potential, BIAC stressed that policymakers need to concentrate on creating an enabling policy environment for private-sector-led economic growth. Co-operation between the public and private sectors is essential to allocate resources efficiently and spur reforms in areas such as financial regulation, employment, trade, investment, taxation, environmental protection and many other policies impacting the private sector.

USCIB Chairman Harold McGraw III built on these messages in a public panel discussion on the topic of "Bringing People Back to Work" and stressed, in particular, the need to focus on education and training. BIAC Vice Chairman Randolph Rodenstock contributed to the "Green and Growth go together" public panel discussion that followed OECD Secretary-General Angel Gurría's presentation of the OECD Green Growth Strategy. Mr. Rodenstock emphasised the importance of the policy framework that needs to be in place to enable the private sector to make the necessary investments and innovate.

Mr. Rodenstock, supported by BIAC Tax Committee Chair Chris Lenon, added to the invited participants-only session on development, advising that mobilising the private sector to invest in developing countries requires building a policy environment that fosters stability and inspires market confidence.

In the closing session discussing the OECD led project on trade and jobs mandated by the G20, Mr. Heeter emphasised that open markets provide a foundation for increased employment. As empirical work on this relationship between trade and jobs is not fully described, creating some misunderstandings, Business supports the OECD project to develop much needed evidence-based economic analysis, which can illustrate the positive effects of open markets.

In addition to the Green Growth Strategy, Ministers agreed on revisions to the OECD Guidelines for Multinational Enterprises, one of the most important topics for business over the past year. On this occasion, BIAC called on the OECD to promote the updated guidelines in non-adhering countries (see related article on page 2).

Ministers also welcomed a new comprehensive approach to development policy, and endorsed the Framework for an OECD Strategy for Development, to which BIAC looks forward to engaging in the coming months.

(continued on page 2)

## Business Advises OECD Ministers (continued from cover)

Finally, Ministers received the Interim Report of the OECD Gender Initiative and affirmed that women's economic empowerment is critical to stronger, fairer, economic growth. BIAC has initiated work in this area and will be actively involved with the OECD going forward in order to complete the Gender Initiative by next year's Ministerial.

As background material, BIAC prepared a formal submission to the Ministerial as well as a statement detailing its views on the updated MNE Guidelines, available online at [www.BIAC.org](http://www.BIAC.org).

For further information about BIAC's participation at the OECD Ministerial, please contact Mark Primmer ([mark.primmer@biac.org](mailto:mark.primmer@biac.org)).



BIAC Vice Chairman Randolph Rodenstock contributing to the "Green and Growth go together" public panel discussion

## Business calls on OECD to promote updated Guidelines for MNEs in non-adhering countries

"Convergence of corporate social responsibility standards between countries adhering, and those not adhering, to the OECD Guidelines for Multi-National Enterprises must be reached in order to create a true level playing field in the markets where multi-national companies operate," said Mr. Winand Quaadvlieg, Chairman of the BIAC International Investment and MNE Committee.

Speaking on the occasion of the 2011 OECD Ministerial (MCM), Mr. Quaadvlieg highlighted the OECD business community's views on Ministers' adoption of the update of the OECD Guidelines. BIAC has been actively involved in the discussions since the beginning of the update. Many different stakeholder views have been expressed, and the final text represents a balanced outcome that BIAC can accept.

The Guidelines contain non-binding recommendations for responsible business conduct across a wide range of corporate activities, including employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation. The update of the Guidelines began early in May 2010 and the 42 governments adhering to the Guidelines engaged in an intensive consultation process with a wide range of stakeholders.

"The updated Guidelines introduce substantial new provisions in certain areas such as human rights, due diligence, and supply chains. However, the nature of the Guidelines remain unchanged, namely, that they are voluntary recommendations from governments to companies," said Mr. Quaadvlieg.

"Naturally, it will take time and effort for companies to become familiar with all of the complexities the updated Guidelines, and then to implement them, but the business organisations in BIAC are committed to fulfilling their role in supporting this implementation process. The OECD needs to do its part by working closely with governments in order to promote in non-adhering countries the introduction of CSR standards comparable to the Guidelines."

For further information, please contact Nicole Primmer ([primmer@biac.org](mailto:primmer@biac.org)).

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*The nature of the Guidelines for MNEs remain unchanged, namely, that they are voluntary recommendations from governments to companies.*

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## Private Sector Employment Growth Key to Supporting Social Policies in the Recovery

Speaking to Ministers at the OECD Social Policy Ministerial Meeting on 2 May, BIAC emphasised that the private sector has a critical stake in the health, prosperity, and stability of communities in which it does business, and supports social benefit systems through taxes and contributions paid, most importantly through employment creation.

While economic situations vary across countries, the long-term financial sustainability of social benefit systems is a key concern for all. With budget pressures, slow growth, high unemployment and ageing populations, governments are forced to do more with less. Thus social benefit systems must be efficient, targeted to those most in need and effective. They must serve to activate people into employment – make work pay, be inclusive, and support the long term sustainability of social benefit systems.

BIAC also highlighted the importance to advance economic empowerment of women, which requires social policies that incentivise work through effective benefit and tax policies and infrastructure such as child care and leave for maternity and care giving, which will enable women to work benefitting families, economies and society.

Organised under the theme “Building a Fairer Future: The Role of Social Policy,” the meeting brought together Ministers from the OECD countries as well as Russia, Brazil, Indonesia and South Africa. Topics on the agenda included: Social Policies in the Recovery, Policies for Families Youth and Children, and Sustaining Intergenerational Solidarity.

In the Policy Forum on Tackling Inequality, which preceded the Ministerial Sessions, Mr. Alexander Gunkel, Deputy Director General, Confederation of German Employers' Associations (BDA) emphasised the importance of ensuring equality of opportunity for all individuals to advance economic and social mobility. In this respect, inclusive active labour market and social policy, which also reach the most vulnerable, and quality education from initial years are crucial.

BIAC participated to the first session of the Ministerial which addressed “Social Policies for the Recovery,” and was represented by Ms. Ronnie Goldberg, Chair of the BIAC ELSA Committee, and Ms. Renate Hornung-Draus, Managing Director, European and International Affairs from the BDA. Mr. Henrik Bach Mortensen Executive Director of the Danish Employers' Confederation was also present.

BIAC's policy statement submitted to the Ministerial is available at: [www.biac.org/policystatements.htm](http://www.biac.org/policystatements.htm).

The OECD Ministerial Communiqué and further information regarding the Ministerial meeting is available at: [www.oecd.org/social/ministerial](http://www.oecd.org/social/ministerial).

For further information about BIAC's work on social policy, please contact Nicole Primmer ([primmer@biac.org](mailto:primmer@biac.org)).



*Members of the BIAC delegation to the OECD Social Policy Ministerial headed by Ms. Ronnie Goldberg, BIAC ELSA Committee Chair*

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*BIAC highlighted the importance to advance the economic empowerment of women by means of effective benefit and tax policies and infrastructure.*

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## BIAC Participates in Eastern Europe and South Caucasus Business Roundtable, Hosted by the Confederation of Industry of the Czech Republic



(L-R) BIAC Secretary General Tadahiro Asami; Mr. Aram Tshshmarityan, Ministry of Economy Armenia; Ms. Dagmar Kuchtova, Deputy General Director of Confederation of Industry of the Czech Republic (SP); and Mr. Stanislav Kazecky, Vice-President of SP



BIAC Secretary General Tadahiro Asami meeting with Confederation of Industry of the Czech Republic (SP) President Jaroslav Hanák and Ms. Dagmar Kuchtova, Deputy General Director of SP

BIAC was delighted to co-operate with its Czech member organisation, the Confederation of Industry of the Czech Republic (SP), which hosted a business roundtable on 15 June in Prague. The roundtable served as a platform for dialogue between potential Czech investors and visiting government delegations from the Eastern Europe and South Caucasus (EESC) region.

Presenting opening remarks alongside Mr. Stanislav Kázecký (Vice-President of SP) and Mr. Martin Tlapa (Deputy Minister of Industry and Trade of the Czech Republic), BIAC Secretary General Asami emphasised that "improving the overall business environment in the region is essential in order to attract and strengthen private sector-led economic growth. This will require, for example, strengthening rule of law, cutting red tape, tackling corruption, investing in infrastructure, implementing fair competition policy and increasing skills development in the workforce."

The SP-hosted business roundtable took place on the occasion of the first OECD-Eastern Europe and South Caucasus Ministerial conference, held on 15-17 June, Prague. The Conference brought together Ministers of Economy from Armenia, Azerbaijan, Georgia, Republic of Moldova and Ukraine, as well as policy makers from OECD countries, to discuss investment, competitiveness and SME development in the region. BIAC submitted a business statement to Ministers which was jointly endorsed by the Union of Black Sea and Caspian Confederation of Enterprises (UBCCE) and the East Alliance (Eurochambers East Invest Project Consortium).

Separately, Mr. Asami met with SP President Jaroslav Hanák and SP staff members, expressing BIAC's appreciation for SP's support and Czech business active participation in the range of BIAC committees.

Please contact Jonathan Greenhill ([greenhill@biac.org](mailto:greenhill@biac.org)) for any further information.

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## 40 Years of Chemical Safety at the OECD

Celebrating the 40th anniversary of work on chemical safety at OECD, on 15 June, government officials, the chemicals industry, chemical experts and academics met during a high-level event to review the major achievements of the OECD's chemical safety work as well as the new challenges that need to be addressed. Discussions focused on past achievements, new approaches to testing and assessment, and challenges to the substitution of harmful chemicals.

A large BIAC delegation participated in the high-level meeting. Dr. Gernot Klotz, Executive Director Research & Innovation, CEFIC (the European Chemical Industry Council and one of BIAC's Associate Experts Group members), contributed to the discussion on challenges to the substitution of harmful chemicals.

With support from BIAC, the harmonisation of chemical safety policies at the OECD has allowed governments and industry to avoid duplicating work, minimise non-tariff barriers to trade and create a level playing field for industry.

(continued on page 5)



## 40 Years of Chemical Safety (continued from page 4)

The OECD chemicals programme has also led to the development of harmonised high-quality instruments and policies that help countries better manage the risks chemical products pose for humans and the environment.

The programme has led to substantial efficiencies for both governments and industry, with total savings estimated at more than €150 million per year. BIAC is actively involved with the OECD in both the strategic discussions and wide range of working groups, which are the backbone of the programme.

To get involved in BIAC's chemical policy work, please contact Hanni Rosenbaum ([rosenbaum@biac.org](mailto:rosenbaum@biac.org)). Further information on the 40<sup>th</sup> anniversary of the OECD Chemicals Programme is available at: [www.oecd.org/environment/40yearschemicals](http://www.oecd.org/environment/40yearschemicals)

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## BIAC Co-sponsors OECD 50<sup>th</sup> Anniversary Conference on Health Reform

To celebrate 50 years of health reform, on 22 June, the OECD and BIAC hosted a one-day high-level conference that focused on addressing the challenges of ageing and multiple morbidities. Organised on the occasion of the 50<sup>th</sup> anniversary of the OECD, the conference brought together over 100 senior policymakers, business figures and academics.

Led by Ms. Nicole Denjoy, Chair of the BIAC Task Force on Health Care Policy, BIAC highlighted the business case for greater collaboration with governments to generate improved health outcomes and greater efficiency in the future.

Ms. Denjoy chaired a conference morning session that explored the overall challenges of ageing and multiple morbidities. Sanofi CEO Christopher Viehbacher, chaired an afternoon session on innovation, partnerships and multiple morbidities.

Business, as contributors to health budgets, employers of older workers, and providers of goods and services, has a vested interest in reducing the overall cost burden, while increasing efficiency and quality of health care. Close co-operation with governments will help incentivise the business community to make the necessary investments today that will yield the solutions needed for tomorrow.

Some of the areas where business can provide considerable expertise, include financing and payment systems, human resource policies, and innovation and partnership approaches; three of the major issues addressed during the conference.

BIAC recommends elevating healthy ageing to a horizontal priority for the OECD and welcomes future opportunities to provide business input to OECD work in this area.

BIAC's submission to the conference can be found online: [www.biac.org/policygrp/profile-health.htm](http://www.biac.org/policygrp/profile-health.htm) For more on the OECD conference: [www.oecd.org/health/50yearconference](http://www.oecd.org/health/50yearconference) For further information, please contact Hanni Rosenbaum ([rosenbaum@biac.org](mailto:rosenbaum@biac.org)).



*Ms. Nicole Denjoy, BIAC Task Force on Health Care Policy Chair, leading the panel session with Mr. Aart de Geus, OECD Deputy Secretary-General*



*Sanofi CEO Christopher Viehbacher (center) chairing the panel session on innovation, partnerships and multiple morbidities*

## BIAC Supports OECD Communiqué on Principles for Internet Policy-Making

BIAC members featured centrally in the June 28-29 OECD High Level Meeting on the Internet Economy: *Generating Innovation and Growth*, which highlighted that the strength and dynamism of the Internet depends on its ease of access to high speed networks, openness and on user confidence. Panels focused on key policy issues for the Internet including broadband access and the role of broadband in innovation; economic growth and social development; and policy directions to support the ongoing development of an open Internet.



*Ms. Sylvie Forbin (Vivendi) and Mr. Len Cali (AT&T) speaking on policy making principles for an open Internet*

Mr. Franco Bernabé, Chairman and CEO of Telecom Italia, and senior business executives including Ms. Gabrielle Gauthey (Alcatel), Ms. Kathy Brown (Verizon), Mr. Ron Wheeler (NewsCorp), Mr. Len Cali (AT&T) and Ms. Sylvie Forbin (Vivendi) provided business perspectives on policies supporting investment, innovation and entrepreneurship that underpin the many economic and social benefits which can be derived from the Internet.

The OECD Communiqué for the meeting (available online at [www.oecd.org/internet/innovation](http://www.oecd.org/internet/innovation)) emphasises a number of key high level principles to protect the global free flow of information and the open, interconnected and distributed nature of the Internet. The Communiqué also emphasizes the importance of investment, competition, security, privacy and the protection of intellectual property rights among other key elements to support an effective Internet policy making process.

This meeting will be the basis for continued work on Internet policy issues by the OECD Committee on Information, Communications and Computer Policy (ICCP) to which BIAC will remain active. For more information please contact Nicole Primmer ([primer@biac.org](mailto:primer@biac.org)).

## OECD-NEPAD Ministerial Conference

Speaking at the fifth Ministerial Conference of the NEPAD-OECD Africa Investment Initiative (26-27 April, Dakar), BIAC Africa Group Chair, Ms. Marie Gad, advised Ministers that “the large generation of young people in Sub-Saharan Africa is a fantastic resource for development. However, the lack of access to productive employment, together with the difficult economic situation including rising food prices, could lead to social unrest, which would disrupt political and economic stability and deter investors”.

BIAC, the European Business Council for Africa and the Mediterranean (EBCAM) and BUSINESSEUROPE submitted a joint business statement to the Ministerial Conference presenting recommendations to Ministers for improving the African investment climate, with particular focus on investment for agriculture and infrastructure.

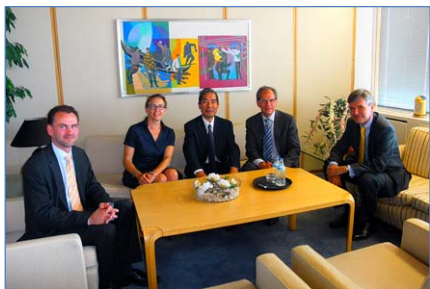
Ms. Gad and Mr. Thomas Spiller, Vice-Chair of the BIAC Non-Member Economies Committee, both stressed that the private sector will be able to bring the investments and jobs into Africa if its political leaders will consider the business community’s recommendations for creating a better investment climate. BIAC is pleased that many of these recommendations were included in the Ministers’ Conclusions, which were subsequently submitted to the G20. For further information, please contact Jonathan Greenhill ([greenhill@biac.org](mailto:greenhill@biac.org)).



*BIAC Africa Group Chair Marie Gad and Thomas Spiller, BIAC Non-Member Economies Committee Vice-Chair*

## Member Updates

### BIAC Secretary General Meets with Finnish Member EK in Helsinki



*BIAC Secretary General Tadahiyo Asami meeting with Confederation of Finnish Industries (EK) Director General Mikko Pukkinen and EK staff members*

On 8 June 2011, BIAC Secretary General Tadahiyo Asami met with Confederation of Finnish Industries (EK) Director General Mikko Pukkinen and EK staff members at EK's Headquarters to discuss the current economic situation and BIAC-EK priorities.

Mr. Asami commended EK's support for OECD-BIAC and Finnish business participation in the range of BIAC committees.

Mr. Pukkinen reinforced EK's commitment to BIAC, especially in the areas of Education and Training, Environment, Financial Markets, Green Growth, and Innovation.

On the occasion of this mission, Mr. Asami also met with Mr. Jukka Pekkarinen, Secretary General of the Economic Council, State Under-Secretary, Economic Affairs. The Economic Council is a key body for the development of Finnish competitiveness policies, chaired by the Prime Minister.

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### Korean Business to Increase Activities in BIAC



*Ms. Jimi Yoo from FKI (second from right) with BIAC Secretary General Tadahiyo Asami and BIAC Senior Policy Managers Nicole Primmer (left) and Hanni Rosenbaum (right)*

In keeping with the Korean government's active contribution to the OECD, G20 and other international organisations, the Federation of Korean Industries (FKI), BIAC's member organisation, has initiated efforts to increase and broaden the Korean business community's engagement in BIAC and OECD activities. Mr. Dae-shik Park, FKI Assistant Secretary General and Head of International Affairs, highlighted these developments in his meeting with BIAC Secretary General Tadahiyo Asami on 30 June in Seoul.

FKI has a long history of engagement in BIAC at the policy group level and at the leadership level; including currently serving BIAC Vice Chair Jin Roy Ryu. The initiative outlined by Mr. Park would extend the involvement of other important actors from the Korean business community, such as the Korea Financial Investment Association, Korea Employers Federation, Korea Institute for International Economic Policy (KIEP), and the Kim&Chang Law Firm. Representatives from all of these organisations met with Mr. Park and Mr. Asami in their discussions on the current Korean and global economic situation.

Concurrently, BIAC has welcomed Ms. Jimi Yoo from FKI to be a summer intern at BIAC Secretariat in Paris. Ms. Yoo previously served as BIAC contact at FKI organising Korean input into BIAC policy work. She is currently a Masters' Degree candidate at Columbia University in New York, and expects to rejoin FKI in 2012 following her studies.





## BIAC Welcomes Indonesian Business

As part of BIAC's outreach strategy to business communities based in countries outside the OECD area, BIAC is delighted to report that the Indonesian business organisation "Kadin Indonesia" has now become a BIAC Observer organisation.

A vibrant emerging economy, Indonesia constitutes one of the OECD's five "Enhanced Engagement" countries. BIAC looks forward to working closely with Kadin Indonesia going forwards. For further details, please contact Jonathan Greenhill ([greenhill@biac.org](mailto:greenhill@biac.org))

## BIAC Investment Chair to be Honoured by BIAC Excellence Award

BIAC Chairman Charles P. Heeter and Secretary General Tadahiro Asami were pleased to announce that Mr. Winand Quaedvlieg is to receive a BIAC Excellence Award. First presented in 2001, the BIAC Excellence Award has been awarded to committed BIAC leaders who have contributed greatly to BIAC policy activities or specific policy work.



*BIAC Investment Chair Winand Quaedvlieg (right) with Mr. Roel Nieuwenkamp, Director, Trade and Globalisation at the Dutch Ministry of Economic Affairs, and Chairman of the update of the OECD Guidelines for Multinational Enterprises*

As Interim Chair of the BIAC Investment Committee, Mr. Quaedvlieg provided inspirational leadership and exemplary diplomacy throughout a challenging, time sensitive period, guiding BIAC's co-ordinated response to the OECD update of the Guidelines for Multinational Enterprises (MNE). Thanks to his efforts, and the support of BIAC Member organisations, the BIAC Investment Committee and other committees, BIAC was able to

negotiate an acceptable outcome with the OECD, labour unions, and NGO's.

Mr. Quaedvlieg's work with BIAC began in the 1980's as a member of the BIAC Development Committee (subsequently merged with the BIAC Investment Committee in 1989); contributing greatly in the last review of the MNE Guidelines during 1998-2000.

Looking ahead, BIAC will continue its engagement in the forthcoming implementation of the 2011 updated OECD MNE Guidelines. As a promotional tool, BIAC plans to develop guidance for companies highlighting the new recommendations in practical business language; expected to be delivered in the second half of 2011.

For further information about BIAC's work on Investment or the MNE Guidelines, contact Nicole Primmer ([primmer@biac.org](mailto:primmer@biac.org)).

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