



Joint Statement of the Global Chamber Platform

Inclusive growth through strengthened global cooperation

15th Annual Gathering, 2nd May, Berlin, Germany

The financial crisis of 2008 is often considered as the heaviest global economic shock since the Great Depression of the 1930s. In its wake, the risk and temptation for countries to resort to protectionism to shield industries from external economic volatility was as high as ever. Yet policy makers held course, with trade and global economic cooperation largely remaining unhindered. Looking back, it is clear that this continued commitment to open markets and cooperation among the world's leading economies were key factors in preventing the global economy from sliding into deeper, lengthier recession and to paving the way for its recovery.

Today, the world trading order is under the heaviest strain in recent history. Global trade is slowing, protectionist tendencies are growing – despite pledges to the contrary – and populist movements threaten the future of the rules-based multilateral trading system, as well as bilateral trade relations.

It is in this climate that the Global Chamber Platform (GCP) urges world leaders to stand up for an open, progressive and forward-looking trade agenda that is embedded in a strong global rules based trading system. At the same time, we reject protectionism and express our willingness to do our part to make trade more inclusive.

The reason for our plea is simple: trade has worked and will continue to work in all four corners of the globe, irrespective of a particular nation's stage of development.

Both developing and developed economies have been major beneficiaries of trade and economic openness. According to the World Bank, trade has helped reduce by half the proportion of the global population living in extreme poverty¹. Equally, in advanced economies, economic integration has raised living standards because of a more efficient allocation of capital, productivity increases, and lower prices for consumers, thereby creating a significant amount of new employment.

Regrettably, however, in 2016, global merchandise exports are expected to have grown slower than global GDP for the first time in 15 years. Additionally, existing and new trade restrictive measures continue to constrain global trade from maximizing its growth potential.

¹ From 1990-2010: <http://www.worldbank.org/en/topic/trade/publication/the-role-of-trade-in-ending-poverty>

This means world business and political leaders need to act for joint prosperity and the Global Chamber Platform is ready to make its contribution.

I. Make Trade more inclusive by strengthening the economic potential of SMEs

For the Global Chamber Platform, trade policy must remain effective through transparency and inclusiveness, as well as ensuring coherence with key objectives such as non-discrimination, competitiveness, corporate social responsibility and sustainability.

It is also time to take a fresh look at global trade rules and adapt and modernize them in order to tackle fast changing business realities and to meet the expectations of today's citizens and entrepreneurs.

Similarly, due to the increasing importance of global value chains and the third country content of export products, new ways of producing and analyzing trade flow statistics should be developed. The importance of this is further underlined when one considers that decisions on trade policy measures taken and implemented by public authorities are regularly founded on import or export development statistics.

International cooperation among trading partners must be upheld and strengthened in order to ensure the competitiveness of our companies, as well as to guarantee equal treatment with competitors in export markets.

In this regard, modernization of existing trade rules through for example including new issues such as e-commerce or investment protection are of undoubted significance, as well as the gradual expansion of market access through appropriate trade policy instruments.

Additionally, however, there is another, much broader topic that is pivotal to ensuring inclusive growth for all: small and medium sized enterprises (SMEs).

SMEs are engines for growth and the number one source of employment across the global economy. Moreover, SMEs still have a vast untapped economic potential in an increasingly globalized economy. Many SMEs have yet to adapt to today's reality that global value chains have expanded tremendously through trade. Policy makers must adapt to this too.

While entrepreneurs are increasingly "born global", the gap between the number of existing SMEs with unfulfilled export potential and those that already export remains significant.

It is in this context that policy makers - and first and foremost the G20 as the world's leading economies - should help pave the way for better inclusion of SMEs in multilateral and bilateral trade agreements, particularly the WTO in the context of the post Doha agenda.

Starting with the G20, consideration should be given to the introduction of a procedure for the exchange of best practices between countries on the application of trade supporting measures for SMEs in trade agreements. Building on this, collective efforts to design future measures at multilateral, but also plurilateral and bilateral level that will help SMEs trade more and better in the future should be enhanced.

II. Create greater public-private partnerships for re/up-skilling the workforce in coherence with the global trade agenda

Making trade more inclusive also entails that policy makers and business leaders step up support for lower-skilled workers, particularly those displaced as a result of increased global competition. Undoubtedly, trade has helped to create and protect millions of jobs across the globe and to boost wage levels. However, further steps should be taken towards making trade even more beneficial for businesses, workers and consumers. This means increased public private partnerships in vocational education and training, and facilitating occupational and geographic mobility.

In this sense, enhancing partnerships between businesses and educational institutions would help equip young people with the skills and competences needed on the labour market and boost employment across the global economy. The private sector – and Chambers of Commerce and Industry in particular - has a central role to play in bridging the gap between demand and supply of jobs and increasing employability.

Work-based learning is one of the key tools in reducing the current skills mismatch. As such, apprenticeship schemes should be further developed in a manner that is SME-inclusive and increasingly focused on future digital careers.

The Global Chamber Platform encourages policy makers to build on these recommendations for more inclusive growth, through strengthened global cooperation. Chamber representatives from around the world gathering in Berlin on the occasion of the B20 Summit exemplify meaningful cross-border cooperation of the private sector and we look to political leaders to do follow suit.



Mr. Christoph Leitl

Chairman of the Global Chamber Platform (GCP)

SECRETARIAT AT EUROCHAMBRES

Email: boucsein@eurochambres.eu

Tel.: +32 2 282 08 50

Fax: +32 (2) 230 00 38

WEBSITE: More information on the Global Chamber Platform (GCP):
www.globalchamberplatform.org