



The Voice of OECD Business

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## Press Release

### OECD business calls for decisive G20 action against protectionism

**Paris, November 10, 2008** – International business urges the political leaders of the economies represented in the G20 to prevent a further accentuation of the world economic crisis by working to keep markets open and avoiding trade and investment protectionism.

“Business is concerned that a panic-driven slide towards protectionism may prolong the economic slowdown”, stated BIAC Secretary General Tadahiro Asami on the eve of the financial crisis summit by the heads of state and the government leaders of the G20 countries on November 15 in Washington. “Political leaders must resist the temptation to shield their industries from foreign trade and investment, as any measures to fence off domestic economies would deepen and widen the negative impact that the financial turmoil has already had on global growth and job creation.”

BIAC contends that the WTO Doha Development Round (DDA) can be a key step against trade protectionism. Binding commitments under the DDA would limit recourse to higher barriers and help to restore confidence. BIAC urges the G20 leaders to provide the political impetus that is needed for a DDA breakthrough. It is essential to finalise the modalities for trade in agricultural and industrial products before the end of this year and to conclude the trade round successfully with meaningful results in 2009.

Business also notes with great concern that some G20 countries are tightening procedures applied to foreign investment. National security reviews of inward investments must be carefully conducted and limited in scope and not become a disguised form of industrial policy where governments pick winners and losers and discriminate against foreign investors.

“Now more than ever must we welcome foreign capital that helps our companies to thrive and create jobs,” said Mr. Asami. BIAC urges the industrialised countries to live up to their commitment under the OECD Declaration on Sovereign Wealth Funds and Recipient Countries Policies not to erect any protectionist barriers to foreign investment. BIAC calls on the government leaders of the G20 economies to follow this example and to reaffirm unambiguously their continued openness to foreign investors.

*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, [www.biac.org](http://www.biac.org).*

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