



The Voice of OECD Business

BIAC Statement to the 2010 Ministerial Conference of the OECD Central Asia Initiative

PARIS, 17-18 JUNE 2010

Preamble

On the occasion of the 2010 Ministerial Conference of the OECD Central Asia (CA) Initiative, this statement is presented to Ministers by the OECD business community, officially represented by the Business and Industry Advisory Committee to the OECD (BIAC).

Many CA countries are facing challenges due to changing economic environments in the context of the global economic crisis. For the common interest of CA and OECD economies, protectionist measures must be avoided. Opening up to trade and investment is essential for ensuring an enabling environment for sustainable economic growth.

To counter the negative effects of the economic crisis, and to achieve longer term objectives, such as economic diversification, job creation and greater female participation in the labour market, business and governments from OECD and CA countries must work closely together. Effective, early and regular consultations between governments and their representative national business organisations bring greater legitimacy and credibility in policy reforms.

Recommended Actions

The business community recommends governments to take the following actions for economic recovery and sustainable economic growth:

REMOVE barriers to trade and investment, and hence improve the business environment by ensuring greater openness, transparency, non-discrimination, accountability and predictability of all policies and legislations;

REFRAIN from raising new barriers to trade and investment, thus helping to reduce the risk perception of the region. Any government restrictions to foreign investment should reflect these points and should be based only on narrowly defined national security criteria;

KEEP open and transparent investment regimes by endorsing property rights and regulation that treats all investors equally;

FOSTER intra-regional and inter-regional economic and trade integration between the CA countries in order to maximise their economic potential, focusing on reducing tariffs and quotas and developing policies for export promotion;

IMPROVE and ease access to finance, particularly for small- and medium-sized enterprises, in consultation with the business community;

ENSURE that the regulatory framework is stable, predictable, non-discriminatory, and transparent, and that procedures for obtaining licences and authorisations are timely and effective;

RECOGNISE the importance of enhancing the competitiveness and adaptability of the labour market through labour policies to improve flexibility of entry and re-entry into the labour market for men and women, thus reducing unemployment. Improving healthcare and education and training services, as well as facilitating the movement of labour and the granting of business visas for CA entrepreneurs and their representatives, will also be key in this endeavour;

TAKE greater political initiative in diversifying national economies, and liberalising key sectors;

PROMOTE green growth across all business sectors;

ENCOURAGE the use of public-private partnerships as a mechanism for raising investment in long-term projects, such as for infrastructure, as well as for trust building between governments and the private sector;

FAVOUR private investment in state-of-the-art infrastructures for citizens (such as telecommunications, electricity, water), even in the most rural areas, and to provide incentives where private investments are not sustainable, thus helping to jumpstart the economy by reducing barriers to entry for small and medium-sized businesses, improving productivity, and reducing industry costs;

WORK together with business to promote corporate governance and fight against corruption;

DEVELOP an attractive and stable tax system that is fair and transparent;

PLACE greater emphasis on fostering research, innovation and intellectual property rights protection in the region.

Business thanks the Ministers from CA countries and the OECD for hosting the Ministerial conference. We hope that this conference will enable governments, business, and other stakeholders to effectively foster sustainable economic recovery in the CA region.

Paris, France, 18 June 2010