

B20 Turkey Inaugural Meeting
Istanbul, Four Seasons Hotel at the Bosphorus
December 15, 2014

Panel: What does business expect from the B20
12.00 – 13.00

Question 1. How can B20 contribute to the first I (Inclusiveness) of the Turkish Presidency?

Introduction

Mr. President, dear colleagues, ladies and gentlemen,

We have had a very productive discussion on Turkish B20 Presidency approach and priorities. B20 should engage with the G20 to ensure that the three I's of the Turkish Presidency (*Inclusiveness, Implementation and Investment*) are achieved.

We have reviewed business expectations of the B20.

We all agree that the most vital outcome we want to achieve through our B20 collaboration and G20-B20 interaction is **strong, sustainable, balanced and inclusive growth**.

We are committed to our collaboration for business-led growth which is inclusive.

Inclusive Growth

The long-term trend increase in income inequality has curbed economic growth significantly. Russia put the issue on the G20 agenda. Australian Presidency continued to prioritize inclusive growth aimed at reducing inequality and poverty.

Business regards inclusiveness as the fourth pillar of strong sustainable and balanced growth.

This means economic growth which creates opportunities for all population and distributes the dividends of increased prosperity fairly across society and across countries.

What are the components of growth which is business-led and inclusive?

- Growth and investment-friendly business environment with quality regulation and stable, efficient and fair tax systems;
- Equal opportunities for education and quality jobs for all citizens;
- Effective and active labour market policies and environment which fosters for entrepreneurship.

We support G20 integrated approach to promoting inclusive growth and generating jobs through policy measures on investment, competition, trade and employment.

We should work with our governments and international organizations to translate this strategy into reality by generating jobs, helping to enhance quality of education and encouraging SMEs participation in international trade.

Labour and Employment

Business is the primary source for creating jobs and quality human resources are the key to the development of innovative and competitive businesses.

We support adoption and look forward to implementation of comprehensive national employment plans which highlight employment challenges, current policy settings and new commitments for each member.

We welcome the data on previous commitments implementation.

We are ready to work with governments in introducing and strengthening policies that promote entrepreneurship and skills development, strengthening the linkages between education, training and workforce needs.

International Trade

Brisbane summit's commitments on international trade are another step towards strengthening competition and improving business environment. The measures, which the G20 members committed to undertake collectively and in their individual comprehensive growth strategies, such as resisting protectionism, streamlining border and customs procedures, reducing non-tariff barriers, encouraging SMEs to take part in international trade, are of primary importance to businesses worldwide.

Free trade agreements by some of the G20 members, noted in the Brisbane Action Plan, help opening up markets for international trade.

B20 should be vigilant that these commitments are met and encourage our governments to ensure that free trade agreements are open, non-discriminatory, transparent and conformant with the WTO rules.

Question 2. What do you think should be B20 priorities in the forthcoming 12 months?

We fully share the Presidency conviction that **Implementation** is a key to G20 success.

To respond to your question in a nutshell: B20 should ensure that G20 governments deliver on their collective and individual pledges to create climate conducive for business-led growth.

Promoting Economic Growth

At the Brisbane Summit, G20 leaders set an ambitious goal of lifting G20 collective GDP by more than 2 per cent above the trajectory in the October 2013 IMF World Economic Outlook baseline by 2018.

The G20 members' individual growth strategies differ in accordance with national economic circumstances and priorities. What is important is that they reflect macroeconomic policy approaches which respond to the needs of the private sector and strengthen business confidence.

Structural reforms for Promoting Competition

Though important, ensuring macroeconomic fundamentals is not enough for sustainable business-led growth. We need favorable business climate. Well-coordinated structural reforms should go hand in hand with sound macroeconomic policies. Business community particularly supports the G20 commitments:

- To provide tax incentives for businesses, stimulating PPPs, enhancing access to finance for the private sector investors, thus raising the level of investment;
- To reduce regulatory burden on businesses, cutting the red tape, lowering barriers to entry for new market participants, and reforming institutional frameworks to improve the ease of doing business, thus promoting market competition;
- To promote entrepreneurship and skills development, strengthen the linkages between education outcomes and employers' needs, reduce non-wage costs of labour, hence lifting employment.

These policy measures can improve business conditions, boost confidence and remove impediments to investment.

B20 should work with our governments to ensure implementation: we must promote implementation, contribute to implementation and monitor implementation.

Investment and Infrastructure

We share the Turkish presidency emphasis on investment as a growth driver.

1. We welcome the Global Infrastructure Initiative (GII) aimed at “taking collective action to improve quality investment” and “attracting more private sector capital and better helping to match potential investors with projects”.

At the same time to ensure that our approach to infrastructure development is comprehensive and coherent, **we have to continue our work towards establishment of an “infrastructure network” as proposed by the B20 last year.**

Such network would bring together national infrastructure centres established in interested countries, help their coordination and cooperation with the Global Infrastructure Hub, with a particular focus on the G20 developing member states.

We know from our experience that B20 consistency and continuity across presidencies work to promote business priorities. Turkey B20 Presidency can help finalize B20 efforts on Infrastructure Initiative.

2. More importantly we should expand B20 dialogue with G20 on crucial elements of the open international investment climate. Investment protection mechanisms help establish a balance between the right of state to regulate and the right of investors to protection under international law. They advance growth bearing a direct effect on the companies' willingness to invest across borders.

B20 should engage with G20, international organizations, International Chamber of Commerce, BIAC and OECD Freedom of Investment Roundtable to highlight the role of Investor-State Dispute Settlement in investment treaties and international agreements.

Question 3. What can B20 do to ensure G20 responds to business expectations?

Two As (accountability and advocacy) and two Cs (continuity and consistency) have proved their value.

Accountability

The important decisions the G20 has made should not just remain on paper. We expect G20 to deliver on the commitments and take them further.

I am certain that Turkish Presidency will promote continuity and consistency of the agenda providing for a B20-G20 engagement at all levels and stages of the G20 deliberation and decision making process.

Business community should be engaged in both implementation of business-related commitments and the accountability process.

Advocacy

We support the Turkish B20 Presidency proposed outreach program, including regional consultations. We already proposed to the Turkish colleagues to organize the Regional Consultation Forum for Eurasia in Russia during the St. Petersburg International Economic Forum (SPIEF) to be held on June 18-20.

The SPIEF is a good platform for advocacy bringing together both business and state leaders.

It will be an excellent opportunity for reaching out to a broad number of international institutions and countries as it will also host BRICS and Shanghai Cooperation Organization's Business Forums in the framework of Russian Presidency in these forums.

We need the fourth “I” in the B20 agenda: an Integrated approach to driving growth. We suggest bringing together such key drivers of growth as Energy and Climate, Food security, Digital economy and Internet, Intellectual property enforcement within one Task Force with a tentative title of “Drivers of Economic Growth”. This will ensure synergy between the areas and maximize their impact for growth.