

Activity Update

January 2016



BUSINESS AND INDUSTRY ADVISORY COMMITTEE TO THE OECD (BIAC)

BIAC Trade Committee Leadership

- Mr. Clifford Sosnow, Chair of the BIAC Trade Committee, Partner at Fasken Martineau DuMoulin LLP (Canada)
- Mr. Robert J. Mulligan, Vice-Chair of the BIAC Trade Committee, Senior Vice President, Policy and Government Affairs U.S. Council for International Business (United States)
- Dr. Pat Ivory, Vice-Chair of the BIAC Trade Committee, Head of EU and International Development IBEC (Ireland)
- Dr. Reinhard Quick, Vice-Chair of the BIAC Trade Committee, Director, Brussels Office The German Chemical Industry Association Verband der Chemischen Industrie e.V. (Germany)

INTERNATIONAL TRADE



As the officially recognized voice of business at the OECD, the Business and Industry Advisory Committee (BIAC) conveys business perspectives and expertise to policymakers on a broad range of global economic governance and cutting-edge policy issues.

Thanks to its consultative status with the OECD, BIAC keeps the OECD proactively informed of the private sector's response to different policy options, thus giving the business community the opportunity to shape the development of long-term policies in OECD countries.

This update provides an overview of key activities of the BIAC Trade Committee in 2015 and an outlook for 2016-2017 activities.

BIAC work on International Trade

The importance of trade policy

Trade policy continues to be a cornerstone of BIAC's engagement with the OECD. In lieu of import tariffs, governments have been using non-tariff measures (NTMs) to protect local markets from foreign competition. In many economies, NTMs can be more important than tariffs in limiting the ability of foreign companies to participate in national markets. By facilitating international policy coordination, OECD is in a unique position to help economies adopt trade-enabling policies that lead to growth and allow our business member to thrive in markets.

How BIAC work impacts

The BIAC Trade Committee actively engages with the OECD Trade Committee and participates in several high-level dialogues on trade with the OECD to identify priorities on trade and share our global members' on-the-ground experiences and perspectives on key and emerging trade issues.

Why OECD analysis matters

Much work remains to be done on trade policy at the international level. The 2013 Bali Trade Facilitation Agreement remains to be fully ratified and implemented, and other trade agreements could still reinvigorate multilateral trade negotiations and speed the movement of goods and services across borders. Reducing the costs of trade is essential, as the changes to transportation and communications technology over that past twenty years have transformed how companies deliver products and services—a paradigm shift captured in the OECD work on Global Value Chains and the Services Trade Restrictiveness Index.



KEY AREAS AND ISSUES

Trade liberalization	Competitive neutrality and state-owned enterprises
Trade facilitation	Global value chains
Movement of business persons	Forced localization
Trade in services	Illicit trade
International regulatory cooperation	Cross-border data flows

Policy Engagement

BIAC work on cross-border data flows

Due to advances in technology and reliance on the Internet, more and more businesses and consumers depend on the real-time cross-border flow of data as part of their day-to-day operations and lives. National governments are increasingly attempting to regulate and even block these data flows. These types of restrictions raise operational costs and undercut business models based on global communication and information networks, which have enabled customer-centric, 24-hour operations increasing productivity, growth, and job creation.

In this regard, BIAC is participating in ongoing OECD work on cross-border data flow restrictions, among other emerging policy issues including localization barriers to trade. To provide OECD and its member economies with a trade policy perspective on this matter, the BIAC Trade Committee Bureau is currently developing a paper on the flow of data across borders. The paper is being reviewed by the BIAC Trade Committee and is expected to be finalized in the first quarter of 2016.



BIAC engagement in Colombia's OECD accession

The launch of Colombia's OECD accession process has brought new challenges and opportunities to the world business community. BIAC closely followed Colombia's OECD accession process and provided written input into the **OECD's Market Openness Review (MOR) report on Colombia**. BIAC Trade Committee identified four key policy issues: (1) pharmaceutical regulations, (2) alcohol imports and monopolies, (3) truck scrapping and (4) procurement practices and other regulations. The Committee developed three discussion papers providing on-the-ground insights on three areas of concern for BIAC members on Colombia's trade policy, which have been communicated to the OECD Trade Committee.

Getting engaged: In 2016, BIAC and its members will continue to engage in outreach efforts to share recommendations regarding the aforementioned policy issues.

Trade policy continues to be a cornerstone of BIAC's engagement with the OECD

BIAC Business Priorities on Trade paper

In consultation with our global membership, BIAC members released a "BIAC Business Priorities for Trade" paper, where they identified nine priorities for trade: GVCs, international regulatory cooperation, localization barriers to trade, cross-border data flows, government procurement, movement of business persons, SOEs, custom and trade facilitation and international trade in services. This paper has regularly served as an advocacy and communications tool during bilateral meetings with OECD governments. To access BIAC's paper on Priorities for Trade, please click [here](#).

Getting engaged: in 2016, the BIAC Trade Committee will update the paper and distribute in time for a discussion with the OECD in April 2016 regarding its 2017-2018 work program.



BIAC - OECD Meetings

BIAC Trade Committee Meetings



The BIAC Trade Committee met face-to-face in April and November 2015. Each meeting gathered over a dozen participants from BIAC's global membership. Among others, members discussed trade issues related to Colombia's accession to the OECD, challenges on cross-border data flow restrictions, and provided input into different OECD projects. The Committee also tasked the BIAC Trade Committee Bureau to develop a paper on the flow of data across borders as a priority item for the Committee. Members of the BIAC Trade Committee had an opportunity to continue discussing priority items on trade policy during informal exchanges with the OECD Trade Committee Bureau following the BIAC Trade Meetings.

BIAC participation to OECD Trade Committee

A strong BIAC delegation participated to the plenary session of the OECD Trade Committee in April and November 2015, featuring also the participation of G20 economies, and where OECD delegates discussed the latest trade policy challenges and opportunities related to international regulatory cooperation, the global trade slow-down and how re-invigorate trade's contribution to growth, and the post-Bali work programme of the WTO, among others.

Getting engaged: BIAC Trade Committee to meet in April and November 2016, back-to-back with the OECD Trade Committee meetings.



BIAC Trade Committee Vice-Chair Rob Milligan (USCIB) gave remarks at the OECD Global Forum on Trade, speaking alongside Mr. Joachim Reiter, UNCTAD Deputy Secretary General on challenges related to the future of trade policy.

BIAC international outreach events

Mexico City Conference “Keeping Markets Open”

Following the 2014 BIAC-OECD-USCIB Washington D.C. trade and investment conference, BIAC teamed up with its Mexican member organization COPARMEX to hold the “Keeping Markets Open” conference in Mexico City. The event, bringing senior business and government speakers from the Latin American region to discuss with OECD trade and investment experts, reached an attendance of over 250 participants, featured a keynote speech by the OECD Secretary General Angel Gurría, and speakers exchanged on policy solutions and ways to apply OECD policy insights to promote trade and investment in Latin America. Notable government speakers included Costa Rican Foreign Trade Minister Alexander Mora and Chair of the WTO General Council Fernando de Mateo. Juan Pablo Castañón, COPARMEX President, also gave opening remarks during the event. BIAC thanks Google and Heineken for their sponsorship towards this high-level conference.



2016 Dates for the BIAC Trade Committee

April

19-20—OECD Integrity Forum 2016: Global Trade Without Corruption—*open to BIAC*

20—BIAC Trade Committee, Paris, France

21-22—OECD Trade Committee, Paris, France—*plenary session open to BIAC members*

May-June

31-1 OECD Week, Paris, France

1-2 OECD Ministerial Council Meeting, Paris, France

September

15—2nd USCIB-BIAC-OECD Trade and Investment Conference, Washington, D.C. (tbc)

November

2—OECD Global Forum on Trade, Paris, France—*open to BIAC*

3-4—OECD Trade Committee, Paris, France—*plenary session open to BIAC members*