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Joint Business Statement
2009 Ministerial Conference
MENA-OECD Initiative
Marrakech, Morocco, 22-23 November, 2009

Preamble

On the occasion of the 2009 Ministerial Conference of the MENA-OECD Initiative, this statement is presented to Ministers by the MENA-OECD business community, comprising the Business and Industry Advisory Committee to the OECD (BIAC), the Confédération Générale des Entreprises du Maroc (CGEM), [...] and other business associations, chambers of commerce, and representatives of private companies active in the MENA region.

The MENA-OECD business community commends MENA and OECD governments on the progress made in investment policy reforms, which led to rising inflows of foreign direct investment, steady GDP growth, and job creation over the last decade.

However, this positive trend has been negatively impacted by the current global economic crisis. Many MENA and OECD countries are facing challenges due to changing economic environments, and some countries have adopted protectionist measures that reduce freedom of investment and the movement of capital and goods. Such measures amplify the negative effects of the crisis by increasing the unpredictability and uncertainty for business and discouraging foreign investment. For the common interest of MENA and OECD economies, such 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 MENA 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:

- Refrain from raising new 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, 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;

- Foster intra-regional economic and trade integration between the MENA countries in order to maximise their economic potential, focusing on reducing tariffs and developing policies for export promotion;
- Improve access to finance, particularly for small- and medium-sized enterprises, and to plan exit strategies, 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;
- Pursue region-wide efforts for commercial law reform with the support of all relevant partners;
- Recognise the importance of enhancing the competitiveness and adaptability of the labour market through labour policies to improve 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 MENA entrepreneurs, will also be key in this endeavour;
- Provide incentives for women to join the labour force, promote women entrepreneurship and remove gender-related obstacles, and facilitate women's access to management and technical training and access to finance;
- Take greater political initiative in diversifying national economies, which for the time being are in many cases overly-dependent on a very limited set of economic sectors;
- Promote green growth, considering the 2009 OECD Declaration on Green Growth;
- Encourage the use of public-private partnerships as a mechanism for raising much-needed 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, where needed, an attractive tax system that is fair and transparent;
- Place greater emphasis on fostering innovation and intellectual property rights protection in the region;
- Encourage widespread use of the OECD Business Climate Development Strategy (BCDS) in the MENA region, as an effective tool for measuring and benchmarking business climate reforms.

Business Commitment

The MENA-OECD business community is committed to:

- Supporting governments' efforts to improve the business environment in the region for sustainable economic recovery from the current economic crisis;
- Promoting responsible business conduct and corporate governance initiatives by sharing best practices and creating sectoral common approaches;
- Engaging more closely with educational institutions to ensure a strengthening of skills in the region, particularly for youths and for women, and better matching of those skills to both short-term and longer-term labour market needs;
- Engaging in and promoting efficient and effective public-private partnerships for development;
- Supporting and encouraging the exchange of technology and expertise between OECD countries and the MENA region to foster increased innovation, with due protection of intellectual property rights;

Business thanks the Ministers from MENA countries and the Kingdom of Morocco for hosting the Ministerial conference. We hope that this conference, which takes place in the context of the most profound economic crisis in recent history, will enable governments, business, and other stakeholders to effectively foster sustainable economic recovery in the MENA region.

Marrakech, Morocco, 22 November 2009