



**Report by EUROCHAMBRES
with the cooperation of the Global Chamber Platform**

October 2013

GLOBAL ECONOMIC SURVEY 2014



Regional Coverage of the Global Chamber Platform (GCP)

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The Global Economic Survey 2014 was conducted during the months of September and October 2013 among Members of the Global Chamber Platform. The report was reviewed and adopted during the annual GCP gathering on 15 October 2013 in Istanbul, Turkey. The Survey intends to gather a qualitative assessment from GCP Members on global economic developments, trade policy and other key policy challenges.

The Global Chamber Platform (GCP) brings together the 16 major national and trans-national Chamber organisations from the four corners of the globe. Its key objective is to facilitate trade and market access internationally as well as developing coherent and innovative answers to the challenges of globalisation and that the shift in global economic realities brings about for all players involved.

The twelve Members that responded to the 2014 Global Economic Survey were:

- Association of **Mediterranean Chambers of Commerce and Industry** (ASCAME)
- Asociación Industrial **Latino-Americana** (AILA)
- **China** Council for the Promotion of International Trade (CCPIT)
- Economic Cooperation Organization Chamber of Commerce and Industry (ECO-CCI) – **Middle East, Central Asia**
- **Iran** Chamber of Commerce, Industry and Mines (ICCIM)
- **US** Chamber of Commerce
- Association of **European** Chambers of Commerce and Industry (EUROCHAMBRES)
- Chamber of Commerce and Industry of the **Russian Federation**
- **South Asian** Association for Regional Cooperation CCI (SAARC CCI)
- Confederation of **Asia-Pacific** Chambers of Commerce (CACCI)
- The **Caribbean** Association of Chambers of Industry and Commerce (CAIC)

Additionally, contributions were made from

- the **Australian** Chamber of Commerce and Industry (ACCI)
- Union of Chambers and Commodity Exchanges of **Turkey** (TOBB)

The present paper shows the main results and the analysis to the ten questions asked. The full results are included as an Annex to this paper.

1) Expectations for real Gross Domestic Product (GDP) growth in their respective regions for 2014, compared to the World Bank’s forecast.

GCP Members were asked about their expectations for regional GDP growth rates for 2014, compared against World Bank forecasts.

Overall Analysis:

What are your expectations for real Gross Domestic Product (GDP) growth in your region for 2014 compared to the following statistics from the World Bank¹?			
National or Regional Chamber	Region/Country	Estimate %	GDP Expectations
Australian Chamber of Commerce and Industry (ACCI)	East Asia and the Pacific	7.0%	Less optimistic
Caribbean Association of Industry and Commerce (CAIC)	Latin America and the Caribbean	1.5%	Less optimistic
China Council for the Promotion of International Trade (CCPIT)	China	7.0%	Less optimistic
Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI)	East Asia and the Pacific	4.5%	Less optimistic
Economic Cooperation Organization Chamber of Commerce and Industry (ECO-CCI); Middle East, Central Asia Iran Chamber of Commerce, Industry and Mines	Middle East and North Africa	3.0%	Less optimistic
Union of Chambers and Commodity Exchanges of Turkey (TOBB)	Turkey	4.0%	Less optimistic
US Chamber of Commerce	United States	2.6%	Less optimistic
Association of Mediterranean Chambers of Commerce and Industry (ASCAME)	Middle East and North Africa	3.5%	Identical
Asociación Industrial Latino-Americana (AILA)	Latin America and the Caribbean	3.8%	Identical
Association of European Chambers of Commerce and Industry (EUROCHAMBRES)	Euro Area	0.9%	Identical
Chamber of Commerce and Industry of the Russian Federation	Russia	3.6%	Identical
South Asian Association for Regional Cooperation CCI (SAARC CCI)	South Asia	5.5%	Identical

The analysis of the answers **shows a more pessimistic picture** than what has been forecasted by the World Bank, with overall growth levels being not as robust as predicted. Seven Members expecting their GDP growth rates for 2014 to be lower, namely CACCI, ACCI, CCPIT and ECO-CCI/Iran Chamber, US Chamber of Commerce, CAIC, and TOBB. Four Members expecting their growth rates to be identical to those predicted (the Chambers of Commerce and Industry of the Russian Federation, SAARC CCI, AILA, and EUROCHAMBRES).

The judgement by the GCP seems to be in line with the most recent conclusions from the APEC Summit on the global economy (8 October), where leaders have warned against a further economic downturn, pointing to a less balanced and weak growth for the year to come, as many economies are experiencing noteworthy downturns in their growth levels, with some economies even experiencing important recessions.

Inherent risks for the global economy seem to be in the financial system and in the increasing use of trade restrictive measures that negatively impact the global trade and investment climate and access to markets.

Therefore there seems to be a clear underlying need to improve the trade and investment climate, by decreasing trade restrictive measures, and engage in structural reforms, that will boost global growth, for the benefit of all the world's economies.

Taking a regional perspective, one can observe the following:

East Asia and the Pacific (World Bank estimate: 7,5%)

For East Asia and the Pacific, both ACCI and CACCI have predicted lower GDP growth rates for 2014. However, while ACCI predicted a growth rate of 7% for 2014, CACCI predicted only 4,5% GDP growth for next year. This seems to indicate that after leading the rebound after financial crisis from 2007-2012, the East Asia and Pacific region now seem to be moving on a path of slower, yet solid economic growth for the next year.

Peoples Republic of China (World Bank estimate: 8%)

While China forms part of the East Asia and Pacific region, CCPIT has been asked to give its prediction for China alone, due to its significant economic weight as the world's second largest economy. In this context it is noteworthy to highlight the fact that CCPIT is forecasting an important deviation from the June WB predictions, expecting China's GDP growth rate to drop by 1 percentage point for the upcoming year. In accordance with their signalled main global challenges, this might be due to rising global protectionism and lack of access to important foreign markets and to inherent risks remaining in the financial system impacting negatively growth expectations.

United States of America (World Bank estimate 2,8%)

The US Chamber forecast is only slightly below the WB estimate (0.2 points),. Overall therefore solid growth is expected for the US economy, although cuts in government spending, and excessive public debt across the major economies might have impacted the slightly negative forecast.

Europe/Euro Area: (World Bank estimate: 0.9%)

For Europe and more precisely the Euro area, EUROCHAMBRES is forecasting the same GDP growth for 2014 as the World Bank. While the big majority of forecasts by EUROCHAMBRES' Members were identical to the World Bank, some were even more optimistic, hinting at the fact that confidence among Members to see an end to the Euro crisis seems to be increasing. However, overall growth at 0.9% remains rather low, due to remaining economic factors such as low demand, financial market fragmentation and the effects of fiscal consolidation.

Republic of Turkey: (World Bank Estimate: 4.5%)

The less optimistic prediction by TOBB in comparison to the WB might be linked to overall uncertain global economic environment and continued weak growth and consumer demand in Turkey's largest export market: the European Union.

Russia (World Bank estimate: 3.5%)

The Chambers of Commerce and Industry of the Russian Federation predict the same GDP growth as the World Bank. With 3.5% GDP growth, Russia seems to be on a good path to stable economic growth after growth rates of 3,4% in 2012 and an estimate of only 2,4 % for this year.

Middle East and North Africa (World Bank estimate: 3.5%)

The Economic Cooperation Organization Chamber of Commerce and Industry / Iran Chamber for Commerce, Industry and Mines, predicts a GDP growth rate that is 0,5 percentage points lower than that of the World Bank. As hinted in their responses to other questions in the survey, this might be due to recent developments in the region, such as the Syria crisis and the regime change in Egypt, which may not only have an impact on the economy of these countries, but also on the entire region.

South Asia (World Bank estimate: 6%)

The South Asian Association for Regional Cooperation CCI has predicted the same GDP growth for 2014 as the World Bank. A 6% GDP growth rate confirms the high economic potential of the region in the upcoming year.

Latin America and the Caribbean (World Bank estimate: 3.9%)

The Association Industrial Latino-Americana (AILA) in predicting identical growth rates to the World Bank, at 3.9% which is in the range of what AILA had already forecasted for 2013, namely GDP growth rates of 4.0%. However the Caribbean Association of Chambers of Commerce and Industry (CAIC) predicted much lower growth rates for their region in the upcoming year, of only 1.5 percentage points. .

2) GCP Members were asked about their opinion regarding levels of business confidence in their country/region for 2014.

GCP Members could choose between expecting favourable, constant or unfavourable business confidence for their country/region for the following year.

In comparison to the current economic situation in your country, do you expect levels of business confidence in 2014 to be:

National or Regional Chamber	Region/Country	Business Confidence 2014
US Chamber of Commerce	United States	Favorable
Confederation of Asia-Pacific Chambers of Commerce (CACCI)	East Asia and the Pacific	Favorable
South Asian Association for Regional Cooperation CCI (SAARC CCI)	South Asia	Favorable
Economic Cooperation Organization Chamber of Commerce and Industry (ECO-CCI) – Middle East, Central Asia; Iran Chamber of Commerce, Industry and Mines (ICCIM)	Middle East and North Africa	Favorable
Australian Chamber of Commerce and Industry (ACCI)	East Asia and the Pacific	Favorable
Union of Chambers and Commodity Exchanges of Turkey (TOBB)	Turkey	Favorable
Association of Mediterranean Chambers of Commerce and Industry (ASCAME)	Middle East and North Africa	Favorable
Caribbean Association of Chambers of Industry and Commerce (CAIC)	Latin America and the Caribbean	Remain Constant
Chamber of Commerce and Industry of the Russian Federation	Russia	Remain Constant
China Council for the Promotion of International Trade (CCPIT)	China	Remain Constant
Association of European Chambers of Commerce and Industry (EUROCHAMBI)	Euro Zone	Remain Constant
Asociación Industrial Latino-Americana (AILA)	Latin America and the Caribbean	Remain Constant

It is interesting to note that despite the more gloomy forecasts for GDP growth (compared to WB figures), GCP members are moderately positive about the business confidence in their regions. 7 members report “favourable” confidence; 5 expect the same level of confidence, and no GCP members expect confidence to deteriorate.

Across the ball therefore, GCP members seem to be “carefully optimistic” about economic prospects in their region.

3) GCP Members were asked to predict global levels of foreign direct investment in 2014, compared to current available figures and trends:

Most GCP Members predict an **increase in levels of foreign direct investment for 2014**. In today’s world through global value chains, investment is a key engine for global trade and promotes productivity, economic growth, and development. The answers by the GCP are therefore an encouraging signal, as higher levels of FDI reflect long term confidence in economic growth and stability.

Compared to relevant figures/trends available today, do you expect global levels of Foreign Direct Investment (FDI) in 2014 to:

National or Regional Chamber	Region/Country	Global FDI 2014
US Chamber of Commerce	United States	Increase
Confederation of Asia-Pacific Chambers of Commerce (CACCI)	East Asia and the Pacific	Increase
South Asian Association for Regional Cooperation CCI (SAARC CCI)	South Asia	Increase
Economic Cooperation Organization Chamber of Commerce and Industry (ECO-CCI) – Middle East, Central Asia; Iran Chamber of Commerce, Industry and Mines (ICCIIM)	Middle East and North Africa	Increase
Union of Chambers and Commodity Exchanges of Turkey (TOBB)	Turkey	Increase
Association of Mediterranean Chambers of Commerce and Industry (ASCAME)	Middle East and North Africa	Increase
Chamber of Commerce and Industry of the Russian Federation	Russia	Remain Constant
China Council for the Promotion of International Trade (CCPIT)	China	Remain Constant
Association of European Chambers of Commerce and Industry (EUROCHAMBRES)	Euro Zone	Remain Constant
Caribbean Association of Chambers of Industry and Commerce (CAIC)	Latin America and the Caribbean	Decrease
Australian Chamber of Commerce and Industry (ACCI)	East Asia and the Pacific	Decrease
Asociación Industrial Latino-Americana (AILA)	Latin America and the Caribbean	Decrease

3 GCP Members expect global FDI levels to remain constant (EUROCHAMBRES, the Chamber of Commerce and Industry of the Russian Federation and CCPIT), while 3 other GCP Members predicted a decrease in global FDI levels, notably both GCP Members from Latin America and the Caribbean, and ACCI.

Question 4: GCP Members were asked to indicate the most important challenges for the Global Economy:

GCP Members identified two main challenges for the global economy: the health of the financial system, and protectionism/insufficient access to foreign markets.

By identifying the health of the financial system as the main challenge, it becomes clear by their response, that the GCP Members, despite the evolving nature of the global financial system in response to the effects of the global financial crisis, still see a need for a more complete global financial regulatory architecture. It could also point to the fact that those regulatory efforts undertaken at national, regional or even international level could be further brought into line, given the global nature of the challenges. Therefore innovative solutions are required by both governments and the private sector to mitigate the risks in today's financial system.

With regards to second most important identified challenge, protectionism/ insufficient access to foreign markets, the GCP survey seems to confirm latest trends identified in the reports of the WTO and other international bodies of increasing trade restrictiveness.

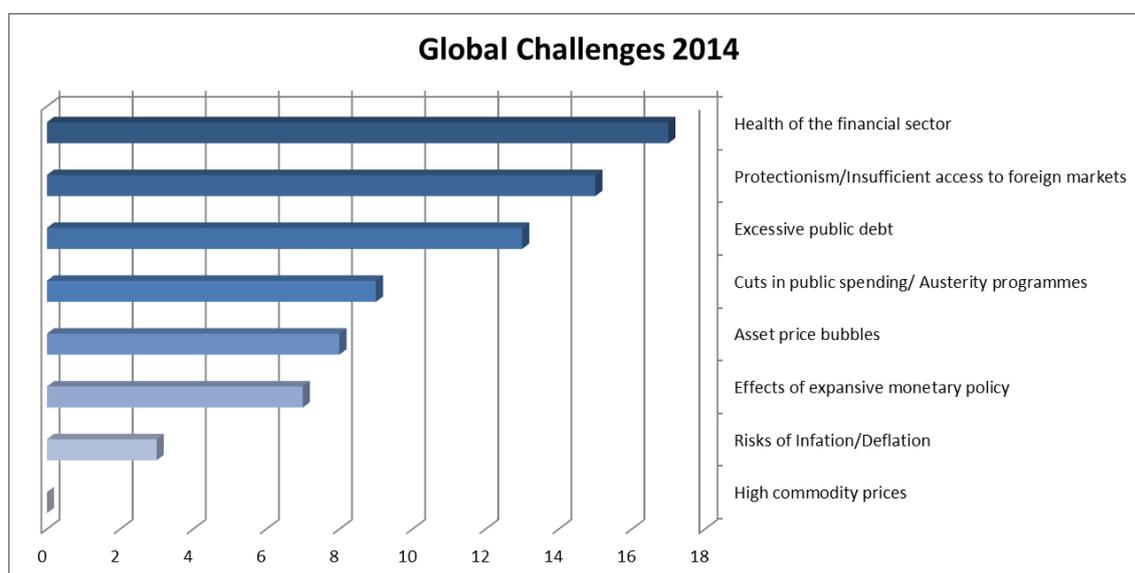
In this regard, former WTO Director General Pascal Lamy, in his report on G-20 trade measures issued on 17 June 2013, found that more than 100 trade-restrictive measures were implemented in the last 7 months preceding the publication. This is yet another sign, that despite previous G20 pledges, trade restrictiveness is on the rise, making more concerted international efforts necessary to reverse that trend.

The third challenge to the Global Economy is excessive public debt, largely accumulated particularly in the developed world in response to the debt crisis by banks. The fourth challenge however, is seen by some as remedy to excessive public debt, namely cuts in

public spending/austerity programmes. However the many Members of the GCP see this as a challenge to growth, hinting to the on-going discussion whether cuts in public spending is the right remedy to return to stable finance in times of slow economic growth.

The fourth and fifth challenge identified by the GCP can be seen as closely interrelated: the risk of asset price bubbles and the effects of expansive monetary policy. Both combined seem to indicate that with world-wide interest rates being (in some regions) at an all-time low, investors seek alternative means for lucrative profits for their investments. These investments paired with easy borrowing conditions by banks due to low interest rates, may lead to dangerous asset price bubbles in areas such as real estate, or others that could pose further risks to the global economy. While expansive monetary policy can create much needed economic stimulus in challenging economic times, its effects need to be closely watched so as to counteract unwanted consequences for the global economy.

The least important challenges to the GCP for the next year, were the risk of inflation/deflation and high commodity prices.



- In addition to the predetermined options, GCP Members could indicate other challenges for the global economy.

In this context, the US Chamber signalled as a challenge the long-term budget reform focused on entitlements spending. The Caribbean Association of Chambers of Industry and Commerce (CAIC), highlighted for their part the poor entrepreneurial support and development as a challenge.

The Economic Cooperation Organization Chamber of Commerce and Industry (ECO-CCI) / Iran Chamber of Commerce, Industry and Mines (ICCIM) highlighted unstable economic factors including political factors as a challenge for the global economy in the upcoming year. While the South Asian Association for Regional Cooperation CCI (SAARC CCI), stressed that the rise in inflation may increase poverty, and thus equally operating as a challenge to the world economy.

5) GCP Members were asked to rank a different number of policy options to address the challenges for the global economy in 2014.

In view of the identified challenges for the global economy in 2014, it comes as no particular surprise that the first option ranked by GCP Members to spur economic growth and overcome the challenges for global economy in 2014 is: to enable improved mutual market access and protection for goods, services and investment on a multilateral and/or regional/bilateral level.

With trade restrictions on the rise globally and the multilateral trade agenda not producing the expected results for business, it is a key message from the GCP, that the global economy needs more trade and investment, and business friendly conditions that will enable this. Promoting more trade and investment is also a founding principle of the GCP, and the close collaboration of Chambers of Commerce and Industry on this topic are more needed than ever. This becomes ever more important as the GCP with its inherent international focus, is an optimal platform to push for international trade and investment liberalization in an age where bilateral or regional FTA are proliferating as never before.

The second option that can best address the economic challenges in the upcoming year, is the implementation of competitiveness enhancing reforms. While there are several options that can help spur economic growth, e.g. through monetary policy or increased trade and investment liberalization, the implementation of competitiveness enhancing reforms in each economy remains an essential part towards sustainable growth.

The third and fourth options ranked by GCP Members, are stricter financial market regulation, and the consolidation of public finances. For its part, stricter financial regulation is a direct response to one of the prime identified economic challenges by the GCP in the question above. In this context, it must be borne in mind that financial risks are spread on global scale, no country or region is immune from the activities in other regions. Hence more concerted efforts to table initiatives seeking more coherence on the international stage to regulate financial markets, should be tabled by the international business community, through relevant fora such as the GCP.

Achieving an average ranking among Members of the Global Chamber Platform (GCP), were the policy options: stimulate local consumption, implement a voluntary/binding governance system, and more spending/recovery programmes by governments, ranked in this order.

The least preferred policy options to address challenges in the global economy were: most cost-efficient support to renewable energy and increased intervention by central banks.



- In addition to the predetermined options, GCP Members could also here indicate other options that could help address global economic challenges.

The US Chamber stressed the need for better financial markets regulation (which may not always be "stricter"). Additionally, smarter fiscal spending, rather than just more spending, and expressing caution on the use of subsidies.

The South Asian Association for Regional Cooperation CCI (SAARC CCI) highlighted additionally the need for fiscal incentives to address inflation in addition to tight monetary policy.

6) GCP Members were asked to prioritize different policy options that in their view should be undertaken in Europe to increase Europe’s competitiveness and financial stability.

As a strong and stable Europe is crucial for sustainable growth of the world economy, it is important to gather the views of the GCP in terms of prioritization of different policy options that could achieve that goal.

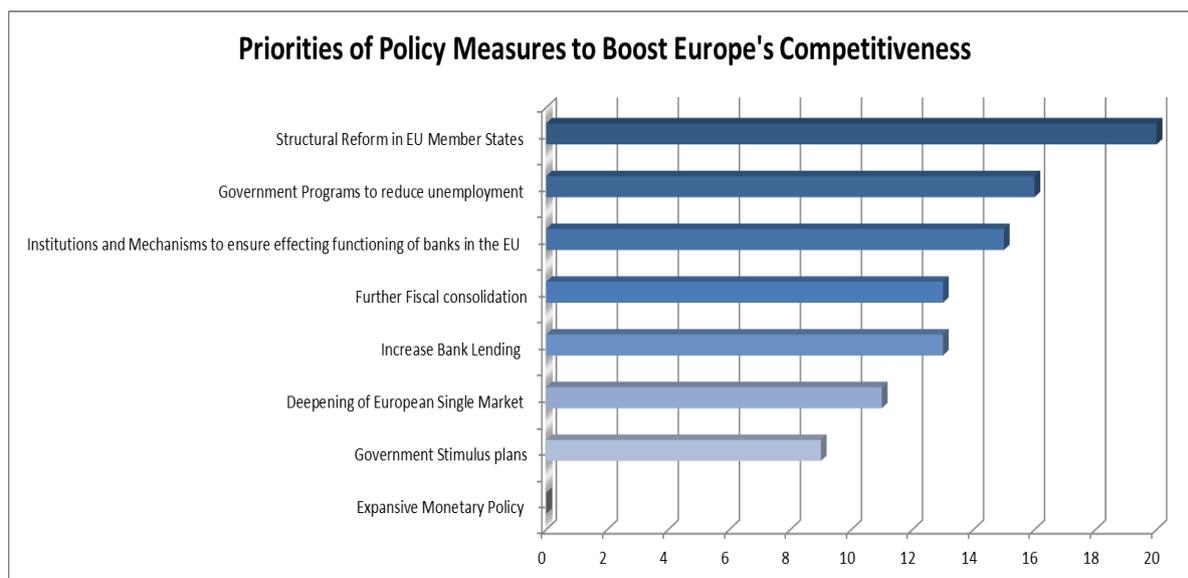
The number one priority, for the GCP is for EU Member States to engage in structural reforms. This corresponds in terms of level of importance, to what Europe responded on this question, and underlines that competitiveness cannot only be enhanced at European level, or through monetary policy. With particularly ECB interventions having bought more time for all policy makers involved, it appears clear from the answers, that the bulk of the work that remains to be undertaken lies in structural reform at national level. Key structural reforms that are able to generate more productivity, more investment, and increase overall competitiveness levels are a key ingredient for more and sound economic growth in Europe.

The second priority for the GCP is to implement government programmes to reduce unemployment, especially targeting the youth. The GCP thus seem concerned over the high unemployment figures, especially among the youth, and the impact this could have on Europe’s overall competitiveness and middle to long term prospects for sustainable growth.

Particularly qualified young people, are an important economic potential for Europe's economy that cannot be wasted for it to maximize Europe's economic output and competitiveness

The third priority for the GCP is establishing institutions and mechanisms that ensure an effective functioning of the banks in the EU, by for instance implementing an EU Banking Union and EU banking supervision and/or clarify conditions for the ESM (European Stability Mechanism) to undertake direct capital injections into banks. The underlying worry by the GCP thus seems to be to ensure sufficient banking recapitalization, so that bank failures do not jeopardize the stability of public finances in Europe, with potential negative consequences for the European Monetary Union. Much has been done already at European level on a government to government level to uphold the stability of the Euro, yet the response by GCP members shows that more efforts need to be deployed in terms of including banks in overall stability mechanism at least within the single currency zone.

Less importance was given to deepening the single market, government stimulus plans to spur economic growth, and to embark on a more expansive monetary policy by the European Central Bank (ECB) respectively. It is noteworthy in the context to highlight that more expansive monetary policy received the lowest degree in terms of priorities by the GCP.



- In addition to the predetermined options, GCP Members could indicate other options for this question:

The US Chamber highlighted in this context, that fiscal consolidation per se is less the issue than smarter government spending, focused more on investing in future growth rather than merely consumption. In their view, the ECB has done its job; thus the focus in Europe should now be on providing conditions which generate private sector growth.

The Caribbean Association of Chambers of Industry and Commerce (CAIC), on its side strives for engaging real trade exchange between the Caribbean and EU member states under the EPA

In this context, it is important to highlight what **Europe** sees as priority policy options.

As stated already, Europe sees the implementation of structural reforms in EU Member States as the number one priority, with while increase bank lending for SME's and government programs to reduce unemployment ranked second and third respectively. It is important to highlight that Europe does not give the same priority for the establishment of mechanisms that ensure the functioning of banks in the EU (ranked third by the GCP, while receiving a relatively low priority within Europe).

7) GCP Members were asked to pass judgement on different statements in relation to the negotiations between the EU and the US on a Transatlantic Trade and Investment Partnership (TTIP)

The TTIP if concluded in an ambitious and comprehensive manner, could potentially have the biggest impact on world trade since the conclusion of the Uruguay rounds in 1994, hence GCP Members were asked about their opinion on the effects of this potential agreement on their respective economy.

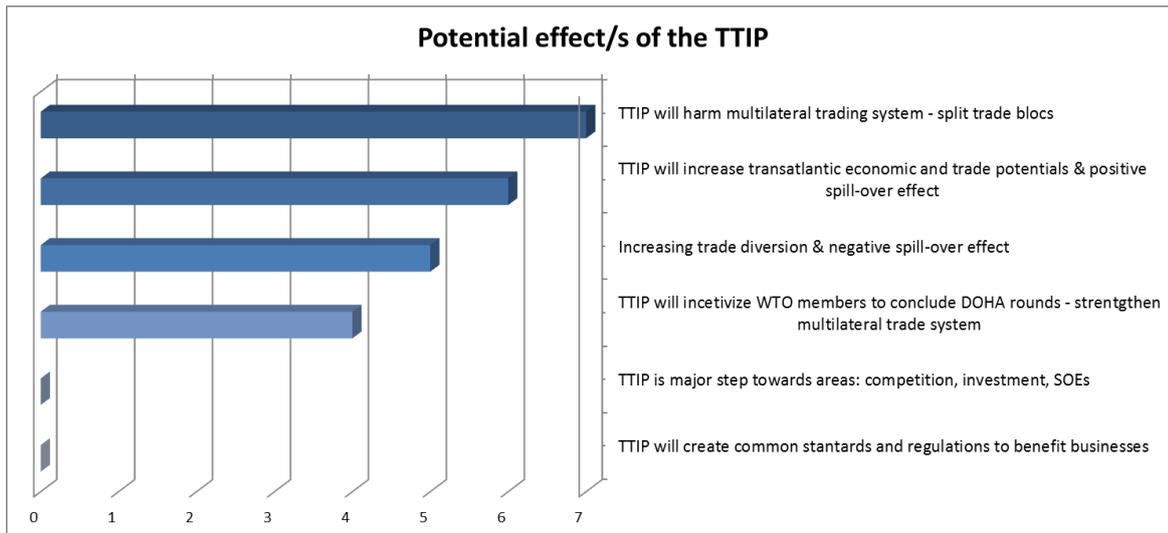
GCP Members' responses to this question are mixed, in that some perceive positive consequences both for their own economies and also for the multilateral trading system, while other GCP Members perceive the contrary.

Taking a global perspective, GCP members perceive more negative consequences from the TTIP for their respective economies. Specifically, GCP members are concerned that TTIP will harm the multilateral trading system, as world trade could be increasingly split into different trading blocs, with possibly different levels of liberalization. In addition and more specifically relating to their own economies, they ranked third the statement that there will be increasing trade diversion to the transatlantic sphere, with negative consequences for other economies.

The flip side to this result is that, GCP Members ranked second the statement that the TTIP will increase transatlantic economic and trade potentials, thus also expecting positive spill-over effects for other economic regions, and ranked fourth the statement that the agreement will incentivize WTO Members to conclude Doha, therefore strengthening the multilateral trading system.

One possible conclusion from this is, that GCP Members strive for more international cohesion in trade policy and/or more multilateral action regarding trade liberalization, as the positive effects of trade liberalization are incremented if pursued on a global scale.

The South Asian Association for Regional Cooperation CCI (SAARC CCI) highlighted additionally, that the competitiveness of goods inflowing in the EU and US market from developing countries will remain a challenge for the envisaged intra EU-USA trade, as this may encourage trade under regional grouping instead of strengthening multilateral trading system.

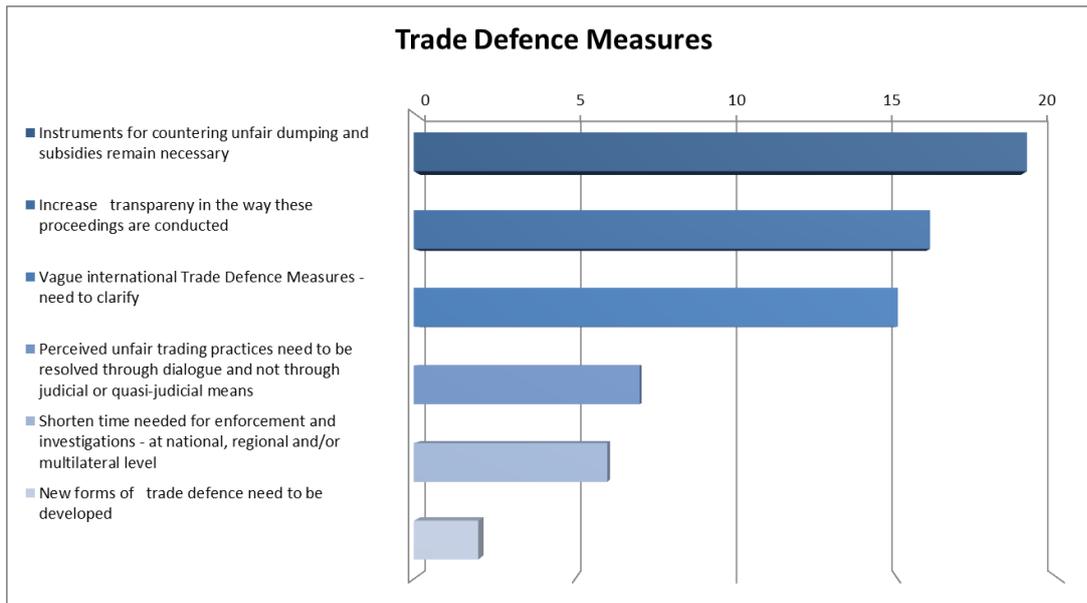


8) GCP Members were asked to rank different policy options in relation to Trade Defence measures, so as to help avoid perceived tensions among trading partners.

Overall GCP Members have a clear opinion that trade defence measure still remain necessary in today’s economy to counter unfair trading practices. However some technical changes should be introduced to make them more suitable to today’s business reality, and to increase the trust in the way they are handled by the authorities, so as to make sure they are used in a legitimate fashion, in accordance with multilateral trade rules.

This is illustrated by the fact that GCP Members ranked first the statement that instruments for countering unfair dumping and subsidies remains necessary, even though guarantees must be introduced to avoid abuse. Additional adjustment seem necessary as GCP members ranked second the statement calling for trade defence rules to be tightened or clarified, and third the statement that more transparency is needed to clarify the way in which trade defence proceedings are handled.

GCP Members attached a low importance to the statement that Trade Defence measures need to be resolved through dialogue and not through judicial or quasi-judicial means and ranked as least important the development of new forms of trade defence measures.



- In addition to the predetermined options, GCP Members could indicate other options for this question:

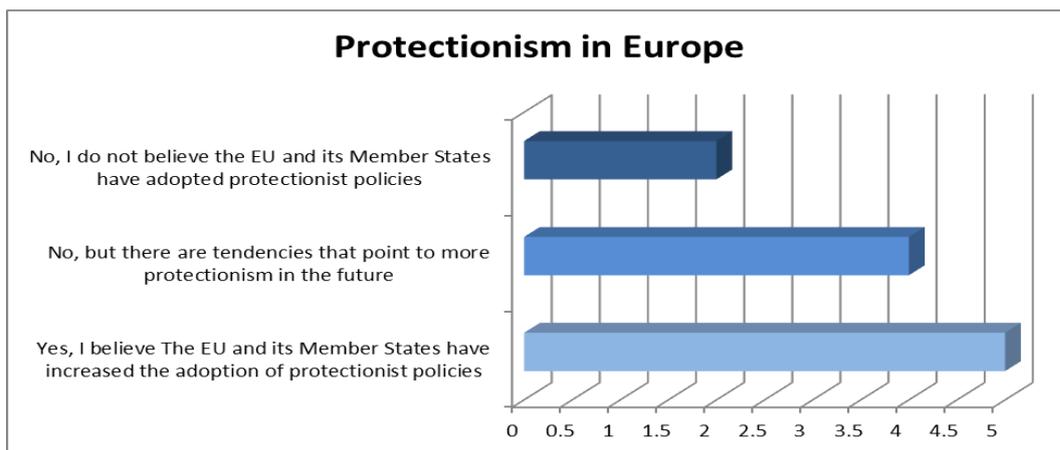
The South Asian Association for Regional Cooperation CCI (SAARC CCI) provided the additional statement that: “country specific measures need to be discouraged although provisions like S&D treatment and National Interest are intra-contradictory measures. Need to provide level play field”.

Iran CCI made reference to the need to vanish trade discrimination rules and sanctions according to political priorities.

9) GCP Members were asked if in their opinion Europe has become more protectionists, in comparison to last year’s Global Economic Survey.

A larger group of GCP Members believes that Europe has indeed increased the adoption of protectionist policies, while a smaller group of GCP Members have indicated that currently this is not the case, but that there are some tendencies that point to more protectionism in the future.

Interestingly, Europe itself believes that it is currently not adopting protectionist policies, but that there are tendencies in the future for their adoption.



The following questions, namely 10, 11, and 12, although containing some new options for the GCP to choose from, is overall comparable to the question asked to GCP Members in the Global Economic Survey from last year. This enables a better comparability of answers.

10) GCP members were asked to rank different proposed solutions to tackle the reported increasing use of trade restrictive measures on a global scale.

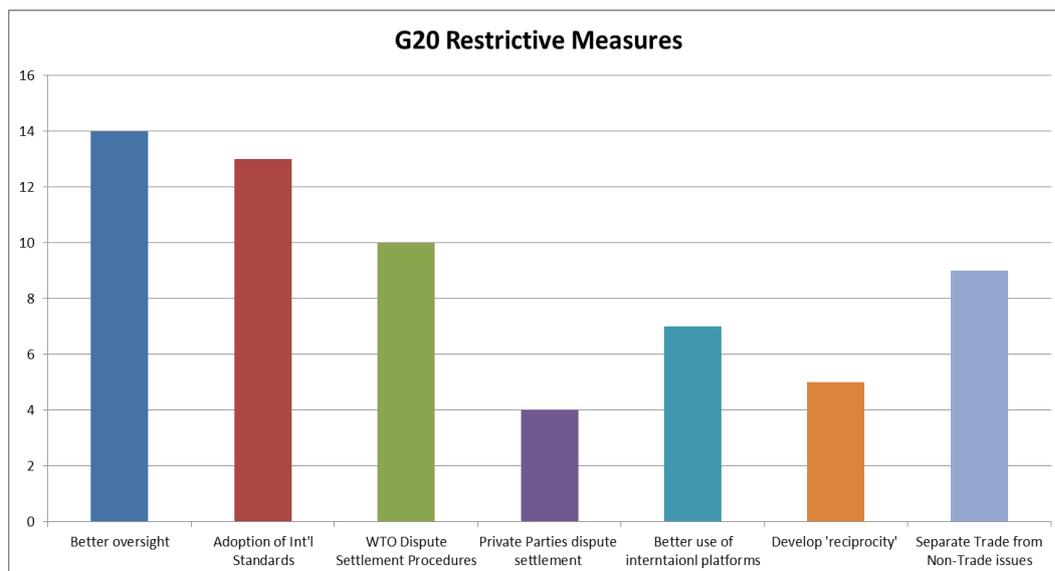
In this year's version of the Global Economic Survey, GCP Members attached the highest importance to better oversight and monitoring by international institutions to combat the emergence of trade restrictive measures.

This is a significant departure from last year's survey, where the GCP Members ranked this policy option as one of the least important. In 2012, the number one policy option was to make more use of dispute settlement to combat trade restrictive measures.

It seems to indicate an increasing willingness by the GCP to resort to preventive measures such as oversight and monitoring rather than through enforcement through dispute settlement, which ranked third in this year's edition of the global economic survey.

GCP Members ranked second the encouragement towards adopting international standards, pointing to the fact, that non-tariff barriers, particularly divergences in standards are a great obstacle to business, which could effectively overcome by having recourse to standard setting in the appropriate international standard setting bodies.

GCP Members attached the least importance, to better separate trade from non-trade issues through potentially binding rules and new enforcement procedures in international fora. Yet again this constitutes a major deviation from last year's survey where this policy option was considered the second highest priority.



2013 Ranking	Measure	2012 Ranking
1	Better oversight and monitoring by international institutions	6
2	Adoption of International Standards	3
3	Make more use of dispute settlement at the WTO	1
4	Better separate trade form non –trade issues through e.g. binding rules and new enforcement procedures	2
5	Create new or better use international platform for constructive dialogue and exchange to best practices to foster mutual understanding.	5
6	Develop the concept of reciprocity further, while respecting multilateral and regional/bilateral trade obligations.	New element in this year's survey
7	Adapt dispute settlement rules - at multilateral or bilateral level allow more use by private parties.	3

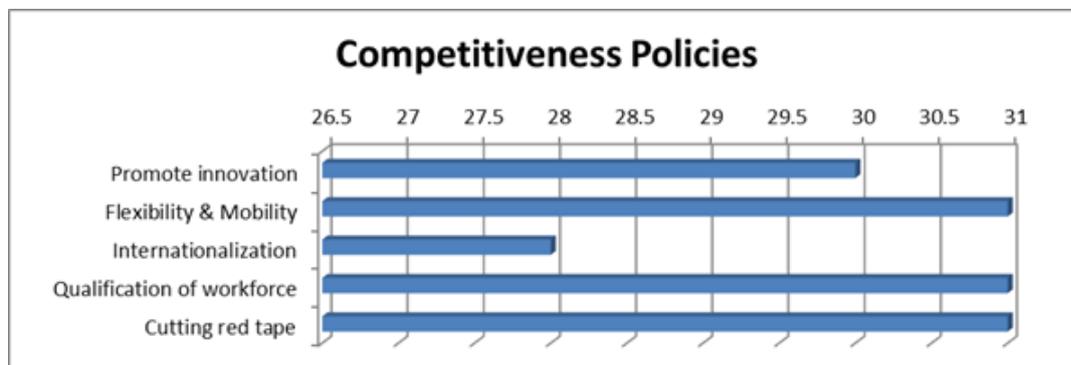
11) GCP Members were asked to identify the single most important policy in their region to ensure the competitiveness of companies.

On an overall scale for the GCP, the three most important policies are labour market flexibility and/ or mobility, promote the qualification of the workforce, implement business friendly legislation/cutting red tape.

As for first two, this could point to the fact, that in an increasingly fast moving international business world, businesses and thus the workforce they employ need to be able to effectively adapt to those changes and be equally equipped with the necessary skills, for businesses to remain competitive.

As for business friendly legislation, the GCP seem to acknowledge that overly bureaucratic regulation by governments can produce high costs for enterprises and particularly to SME's, who face higher compliance costs.

In comparison to last year's survey only the policy to cut red tape/implement business friendly legislation made it to the top three. The qualification for the workforce is a new element that was added to this year's Global Economic Survey.



- More specifically, in terms of the most important policies for each GCP Member in their respective region, the survey has produced the following results:
 - For the Association of Mediterranean Chambers of Commerce and Industry (ASCAME), the most important policies for companies are: promoting innovation and high quality/green goods and labour market flexibility and/or mobility
 - For the Economic Cooperation Organization Chamber of Commerce and Industry (ECO-CCI) – **Middle East, Central Asia/ Iran** Chamber of Commerce, Industry and Mines (ICCIM), the most important policy is: to encourage the internationalization of businesses.
 - For the Asociación Industrial **Latino-Americana** (AILA), the most important policy is: labour market flexibility and/or mobility.
 - For the **Caribbean** Association of Chambers of Industry and Commerce (CAIC), the most important policies are: labour market flexibility and/or mobility and implement business friendly legislation/cutting red tape
 - For the **China** Council for the Promotion of International Trade (CCPIT), the most important policy is: promoting innovation and high quality/green goods.
 - For the Association of **European** Chambers of Commerce and Industry (EUROCHAMBRES), the most important policy is implementing business friendly legislation/cutting red tape
 - The Chamber of Commerce and Industry of the **Russian Federation**, attached the highest importance to labour market flexibility and/or mobility, the encouragement of internationalization of businesses, the promotion of innovation and high quality/green goods and the promotion of the qualification of the workforce.

- For the **South Asian** Association for Regional Cooperation CCI (SAARC CCI) the most important policy is to promote the qualification of the workforce.
- For the **Australian** Chamber of Commerce and Industry (ACCI), the most important policy is labour market flexibility and/or mobility
- For the Union of Chambers and Commodity Exchanges of **Turkey** (TOBB), the most important policy is implementing business friendly legislation/cutting red tape.
- The **US** Chamber of Commerce, and the Confederation of **Asia-Pacific** Chambers of Commerce (CACCI) saw all policy options as equally important.

12) GCP Members were asked to rank the problems which companies in their region are facing in their day-to-day business.

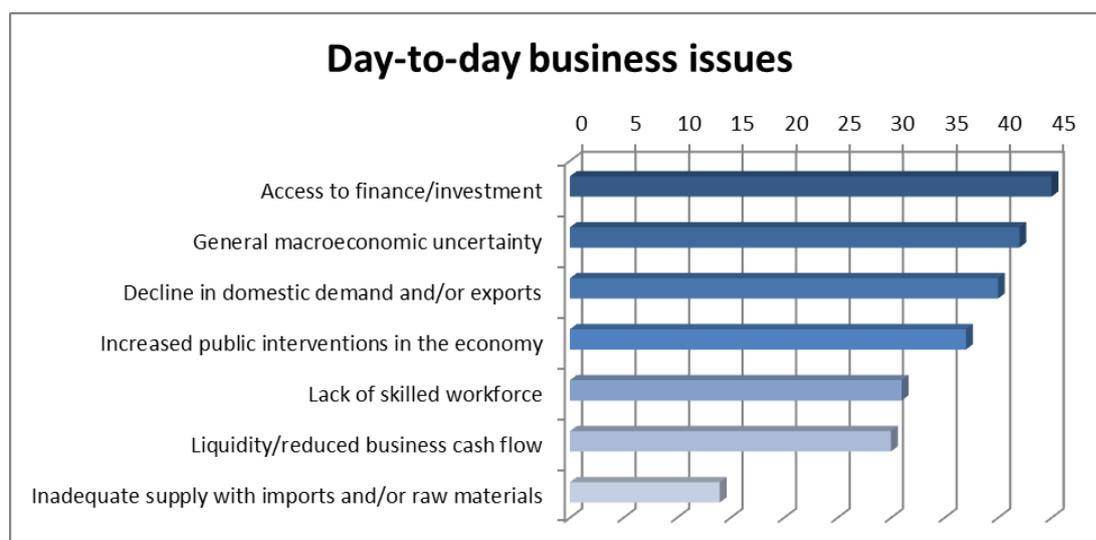
The top three priorities of the GCP for this year, are identical with those of the last year.

Hence the number one concern for the companies is access to finance and investment. In that context, businesses have found it increasingly hard to borrow money from banks since the market crash of 2008, and the subsequent recession and underlines the need for more initiatives on the global level that could promote access to finance and more investment.

With overall positive sign for FDI flows in the coming year predicted by the GCP, there could be some easing for this challenge for affected companies, at least regarding investment.

The second problem GCP Members ranked was general macroeconomic certainty, showing that the global economy is not yet entirely on a solid economic foundation, and inherent risks remain in the global economic system.

The third challenge companies face according to the GCP is, decline in domestic demand/and or exports, which can be attributed at least partly to remaining slow grow



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<http://www.eurochambres.eu/Content/Default.asp?PageID=104>