



**International Chamber of Commerce**

*The world business organization*

## **Communications and Media Relations**

### **Doha failure would have dire consequences on world economy, says ICC**

**Paris, 6 April 2011** – The International Chamber of Commerce (ICC) strongly supports a call from the World Trade Organization (WTO) for a breakthrough in the Doha Round of talks in April if these crucial negotiations for lowering trade barriers are to be concluded this year.

ICC, following a recent statement by WTO Director-General Pascal Lamy on an upcoming deadline for Doha talks, stresses that international trade is critical to restoring the health of the global economy.

Concluding the Doha Round after 10 years of deadlocked negotiations would strengthen confidence in the multilateral trading system, stimulate the global economy, create employment opportunities, and contribute to mitigating the effects of climate change.

“Achieving this is more crucial than ever in the context of a global downturn that came on the heels of the economic crisis,” said ICC Chairman Gerard Worms. “In the long run, bringing the Doha Round to a successful conclusion will create more jobs by improving the global economy.”

ICC has long held that failure to conclude the Doha Round will undermine the multilateral system built by the international community over the past 70 years. This system underpins the promise of peace and prosperity that lies within the reach of developing countries if trade barriers are brought down.

Completing the Doha Round would provide the world with a debt-free stimulus package, thereby helping to sustain balanced economic growth across both poorer and rich countries. If current proposals were put into effect, it is predicted that global GDP would grow by US\$280 billion annually.

Not implementing Doha would let an ongoing tide of protectionist measures further thwart an opportunity for growth. Despite commitments from G20 countries to avoid new trade barriers, the threat of protectionism has become worse since the economic crisis.

“Hundreds of new protectionist measures in the G20 ‘pipeline’ threaten to derail global economic recovery, trade and employment,” according to a recent report prepared by the Peterson Institute for International Economics and commissioned by the ICC Research Foundation. The report concludes that if only half of these G20 country measures are implemented by the end of 2011, the world economy will face a serious protectionist problem.

Poor countries stand to suffer the most if Doha is not finalized. Reducing trade barriers would especially benefit smaller and less-developed countries, as well as South-South trade. The World Bank estimates that more than two-thirds of the overall benefits of lowering trade barriers would directly impact poorer countries through better entry to agricultural markets.

Barriers to agricultural trade, which tend to distort commodity prices, have a particularly adverse effect on developing countries. Opening up trade will not only lead to increased productivity and efficiency, but should also encourage greater investment in low-carbon technologies through economies of scale.

As the 24-25 April deadline approaches for WTO negotiating group chairs to produce the revised draft texts of the Doha agreement, what is needed is a firm commitment to get these texts pushed through. The bulk of improved global trade rules have already been negotiated as part of the Doha process. Measures that remain to be decided will require countries to re-engage on a few politically sensitive issues and to be open to a substantial give-and-take.

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“Now is the time for all of you, and in particular those among you who bear the largest responsibility in the system, to reflect on the consequences of failure,” Mr Lamy warned last week during an informal WTO trade negotiations meeting.

“In politics, as in life, there is always a moment when intentions and reality face the test of truth,” he said. “We are nearly there today.”

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### **About the International Chamber of Commerce**

The International Chamber of Commerce is the largest, most representative business organization in the world. Its hundreds of thousands of member companies in over 120 countries have interests spanning every sector of private enterprise.

A world network of national committees keeps the ICC International Secretariat in Paris informed about national and regional business priorities. More than 2,000 experts drawn from ICC’s member companies feed their knowledge and experience into crafting the ICC stance on specific business issues.

The United Nations, the World Trade Organization, the G20 and many other intergovernmental bodies, both international and regional, are kept in touch with the views of international business through ICC.

For more information please visit: [www.iccwbo.org](http://www.iccwbo.org)