Business at OECD

CHARTING THE COURSE FOR COMPETITIVENESS

Business at OECD (BIAC) Position Paper
Annual Consultation with OECD Leadership and Ambassadors

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Contents

About *Business at OECD* (BIAC)

Established in 1962, *Business at OECD* (BIAC) is the officially recognized institutional business stakeholder at the OECD. We stand for policies that enable businesses of all sizes to contribute to economic growth, sustainable development, and societal prosperity. Through *Business at OECD*, national business and employers' federations representing over 10 million companies provide perspectives to cutting-edge OECD policy debates that shape market-based economies and impact global governance. Our expertise is enriched by the contributions of a wide range of international sector organizations.

1. Introduction

As we have entered 2024, **business leaders in OECD countries and beyond are navigating a polarized world**: Almost two years have passed since the Russian regime started its unprovoked, illegal war against Ukraine; tensions have been escalating in the Middle East; and geopolitical frictions are generally on the rise all over the globe. Seemingly seismic shifts in the world economic order cause uncertainty, with risks of increasing volatility unsettling many global markets.

In OECD countries, **severe economic headwinds further inhibit companies' growth trajectories** in 2024:

- *Global economic growth* is set to slow to a moderate 2.9%. The bulk of it is expected outside of OECD countries - in Asia[1].
- *High inflation* is projected to persist well beyond many central banks' long-term targets. Severely elevated costs-of-doing-business depress private investment.
- *Trade growth* is weak, with volumes recently only up by 0.1%, and *global FDI* has recently been tumbling. Much of this is structural, with restrictive policies leading to falling market openness.
- *Government interventions* in the name of economic security increase at an alarming rate, with fears that 'friendshoring' costs up to 2% of global economic output[2].
- *Labor markets* remain tight, with employers struggling to fill vacancies. New job profiles and skills mismatches particularly challenge aging societies.

As the private sector faces an overcast outlook for 2024, a clear consensus unites *Business at OECD:* That is the **primary need for the OECD to urgently reinforce the competitiveness** of our market-based economies. This is the only way to deliver high, long-term, and truly sustainable growth:

- Growth that is driven by performance, progress and productivity, not government planning;
- Growth that pays for itself through real returns, not unsustainable state support;
- Growth that benefits all through active participation, not just redistribution, regulation and red-tape;
- Growth that diffuses through rules-based multilateralism, not unilateral actions that unlevel the playing field.

Reinforcing our competitiveness must not only be the top priority to increase our societies' prosperity and tackle the cost-of-living crisis. It is also the **greatest contribution the OECD can make to our common security**, which critically depends on our economic strength and stability. On the contrary, economic weakness fuels populism, state interventionism and protectionism, with more inward-looking government agendas fragmenting the ties between regions, and undermining the benefits of rules-based multilateralism.

It must be clear that our economic strength will also **determine the pace of progress towards common global challenges**. To promote evidence-based government policies and avoid unintended consequences, there must be several needles on the OECD's compass: To progress on pressing environmental issues, guidance is needed on policies that are effective and rational, and not ideologically driven – based on realistic, updated and practical scenarios for the climate and energy transition. As innovation is the most powerful tool to respond to global challenges, coherent, interoperable frameworks are needed for technological development, deployment and diffusion, and trusted digitalization, data flows and AI. And in the face of demographic change, strategies are needed to enhance participation, reduce inactivity and tackle the "double skills gap" – addressing the quantitative lack of skilled employees and qualitative skills mismatches.

As we call on the OECD in 2024 to chart the course for increased competitiveness of our market-based democracies, we underline that the Organization has a **unique strength: That is the structured, continuous, institutional integration of the private sector** through *Business at OECD*, representing the leading business federations in OECD countries and beyond. As we are meeting with OECD Ambassadors and Leadership for our Annual Consultation in February 2024, this paper maps out our key recommendations for the Organization's agenda across three themes:

1. Reviving our Competitiveness
2. Leading on Common Challenges
3. Inspiring a Better Future Globally

[1] OECD (2024): OECD Economic Outlook, Interim Report February 2024

[2] IMF (2023): Fragmenting Foreign Direct Investment Hits Emerging Economies Hardest

2. Reviving our Competitiveness

To tackle the cost-of-living crisis and foster our economic strength, the OECD should re-focus in 2024 on what it does best: Comparing country approaches, putting a spotlight on the cost and ease of doing business, and encouraging relevant structural reform. For this, we reiterate our **overarching call and offer our partnership for the OECD in 2024 to develop an annual "OECD Better Policy for Competitive Business" publication**. This should synthesize selected existing key OECD indicators for a more conducive business environment - such as on the regulatory environment, lean government, market openness and fragmentation, policies for innovation and digitalization, tax certainty, dynamic labor markets, access to skills and education, quality infrastructure, the competitive environment, policy uncertainty, and others closely linked with sustainable private sector growth.

In many OECD countries, companies have been facing a **growing body of complex legislation imposing a high administrative burden**. Many of these aim to serve legitimate policy objectives, but their effectiveness must systematically be put to the test, and unnecessary burdens consistently eliminated. To this end, the OECD should further promote good regulatory practices – including to mainstream regulatory impact assessments, ex-post evaluations and international regulatory coherence. More should be done to simplify compliance requirements, mainstream principles such as "one in, one out" and include sunsetting provisions - ensuring proper impact analysis before extension of a new regulation. As many businesses face practical issues on-the-ground, the OECD should further promote dedicated, user-friendly platforms for regulatory submissions, clear and simple government guidelines, streamlined procedures and a single entry point for various approvals. In this context, the effectiveness and fairness of enforcement across companies should also be safeguarded.

Most OECD countries are unaware of whether regulations are actually delivering as intended.

21 out of 38

OECD countries (55%) do not assess whether regulations achieve their objectives *when undertaking ex post evaluations.*

Source: [OECD (2023): Government at a Glance]

OECD business is strongly committed to responsible conduct. At the same time, company operations should not be burdened with **unrealistic and unmanageable government requirements for corporate responsibility and due diligence** – especially in areas beyond individual companies' control, exposing them to legal proceedings. These increase the costs and risks for business – particularly those trading with suppliers in less developed countries with weak institutions. This can be counterproductive, if it leads to the creation of an 'elite countries club', companies disengage from third countries, and competitors from 'non-likeminded countries fill the void. Even more, good intentions do not always equal complex environmental effectiveness. In this respect the OECD should as a matter of priority provide objective analysis of the economic effects of supply chain due diligence requirements. At the same time, inclusive discussions should foster coherent ESG approaches, including for meaningful measurement and reporting, before considering any mandatory steps, accompanied by clear and workable guidelines for companies. While government incentives have an important role to play, many RBC issues also have a governance dimension which must be achieved through state-to-state engagement.

The 'targeted update' of ***the OECD MNE Guidelines on Responsible Business Conduct increased government expectations, expanding the text and commentary from***

~16,000

to more than

~23,000 ***words.***

Source: Business at OECD (BIAC) count

The recent **energy crisis has been a game changer, with energy-intensive industry feeling the heat from high prices**. To accelerate the transition to secure, affordable, low-carbon energy, much more decisive action needs to be taken by the OECD to mainstream energy discussions across the house and with the International Energy Agency – including on approval processes for low-carbon energy investments; education and skills needs; design of non-discriminatory, technologically-neutral incentives; frameworks for electrification and diverse energy infrastructures; as well as energy efficiency policies. Since carbon pricing and related policies harbor risks as well as opportunities, a comprehensive understanding of the effects of carbon prices on our economies and societies must be carried out before considering any steps under the right economic conditions.

> ***When it comes to effective carbon rates, significant variation of coverage, prices and instruments persists across sectors and countries.***
>
> **42%**
>
> *of the approximately 40 billion tonnes of GHG emissions were priced in the 72 countries covered by the relevant OECD report.*
>
> *Source: OECD (2023): Effective Carbon Rates 2023*

Many **OECD economies have been facing chronic underinvestment in their aging infrastructure for decades**, including for transport, logistics, and IT. At the same time, the green and digital transition requires significant investments in new infrastructure. The scale of finance required highlights the critical role that private sector investment will have to play if this gap is to be filled. In this regard, more OECD work is needed to help increase appetite for private investment in infrastructure, taking into account factors such as cumulative prudential regulation, and a lack of clarity on the pipeline of upcoming projects. In this context, the *Blue Dot Network* has the potential to be an important tool to promote quality infrastructure systems around the world, but we underline the importance of a workable and streamlined certification processes for companies at large.

> ***The infrastructure investment gap is set to reach by 2040***
>
> ***USD 15 trillion***
>
> *This will be even higher if sustainable infrastructure needs, especially in developing and emerging countries, are not adequately taken into account.*
>
> *Source: OECD (2021): G20 Infrastructure Investors Dialogue*

The **substantial tightening of global financial conditions and a lack of access to credit** significantly constrain the growth of many OECD companies, especially SMEs. But paired with the end of Covid aids, rising borrowing costs have led to soaring corporate bankruptcies in many OECD countries. Therefore, the OECD should significantly step up its efforts to help create a more supportive financial environment. This should, on the one hand, include encouraging credit guarantee schemes, scaling up microfinance institutions, and promoting credit information systems about affordable loans to SMEs. Financial literacy programs can also empower small business owners to better manage credit and improve their creditworthiness. More can also be done to support firms' productivity, such as fostering trustworthy and interoperable early payment platforms that enhance the ability to effectively manage working capital.

> ***Corporate bankruptcies are increasing at***
>
> ***double-digit rates***
>
> ***in most advanced economies.*** *This is as borrowing costs rise and governments unwind their pandemic-era measures to support business at the same time.*
>
> *Source: Financial Times (2023): Bankruptcies soar as high rates and end of Covid aid hit businesses hard*

Skills and labor shortages prevent the expansion of business operations, restrict innovative capacity, and also lead to lower productivity of employees. The OECD should keep providing governments with tangible recommendations to enhance employability, reduce inactivity, mobilize all parts of society, and tackle the "double skills gap". This should include more work on efficient and active labour market policies, employment-promotion and retention measures, the effective use of AI at the workplace, and the promotion of inclusive labor markets – incentivizing all those who are able to work. Targeted labour migration should promote a 'skills first' approach. At the same time, the OECD should underline the benefits of effective social dialogue.

Education policies and curricula must better reflect labor market realities and foster a capable and adaptable workforce. School curricula urgently need to be modernized, underline foundational knowledge such as reading and math skills, and reflect employability - particularly in technology and engineering, and for the age of AI. To facilitate lifelong learning and a smooth transition from school to work, education institutions need to be in close contact with businesses. In this regard, the new OECD International Vocational Education and Training (VET) Assessment project should provide an objective assessment of the wide range of systems in place and help raise the visibility and attractiveness of VET.

> *On average, **the latest PISA assessment saw an unprecedented drop in performance across the OECD.***
>
> ***-10*** *Score points in* ***Reading***
>
> ***-15*** *Score points in* ***Maths***
>
> *are key examples of the drop in mean performance compared to 2018.*
>
> *Source: OECD (2023): PISA 2022 Results*

The rapid development and **adoption of new technologies provide new tools for greater productivity and competitiveness**. Based on multistakeholder engagement, the OECD should foster international coherent and interoperable policy frameworks that encourage innovation and digitalization while minimizing related risks. It should continue to develop evidence-based policy frameworks for trustworthy AI that put in practice the *OECD AI Principles*, enable innovation, and facilitate efficient processes at the workplace. As cross-border data flows are essential for innovation, we welcome the establishment of a new OECD multistakeholder expert group in response to the *G7 call for Institutional Arrangement Partnership* (IAP) to operationalize the advancement of Data Free Flow with Trust. We call on the OECD to demonstrate how trusted cross-border data flows benefit consumers, workers, businesses and governments alike, and enhancing our competitiveness.

Such trust also depends on **high intellectural property (IP) standards, non-discriminatory implementation, and respect of fair value for returns.** As business remains concerned about erosion of IP protections the OECD should initiate new work on the economic effects of weak IP rights enforcement, with a view to strengthen a pro-innovation and competitive environment .

> *Enabling significant productivity gains,* ***Generative AI can add the equivalent of***
>
> ***USD 4.4 trillion*** *annually*
>
> *as expert estimates show. By comparison, this is roughly the size of Germany's GDP.*
>
> *Source: McKinsey & Company (2023): The economic potential of generative AI*

In many OECD countries, **public debt is at excessive levels, presents systemic risks and requires focused attention** by respective governments. This must however focus on spending efficiency, and not fiscal policies that further weigh down private sector-led growth. OECD work should ensure that tax policies and systems promote growth, with non-discriminatory and reasonable rates. This is critical to stimulate economic activity, innovation and investment, foster entrepreneurship, and attract both domestic and foreign businesses.

> ***In 2022, the tax burden in OECD countries was on average more than***
>
> ***34% of GDP.***
>
> *This is among the highest ever on the Organization's records, reaching back to 1965. Moreover, 9 of 38 OECD countries have average tax-to-GDP rates higher than 40%.*
>
> *Source: OECD (2023): Tax Revenue (Indicator)*

3. Leading on Common Challenges

Our competitiveness and sustainable economic growth are an indispensable basis to gain private sector momentum on long-term objectives. In the face of an increasing number of global challenges, the OECD should serve as a key forum for 'like-minded' member and partner countries to seek effective solutions to common challenges.

Security

In many countries, **additional and reinforced national security measures and more inward-looking government agendas** intend to reduce dependencies and protect critical industries. However, it must be clear that diversified global value chains and open, strong, resilient economies improve security for all of us, while protectionism is counterproductive and unintended consequences from economic decoupling should be avoided.

The simplified **assumption that "economic security is national security" can have a chilling effect on competition**. When national security is invoked as the reason for government action, the private sector often has no voice in government deliberations. In this regard, cross-cutting, coordinated and evidence-based OECD policy recommendations are needed more than ever, and must be effectively conveyed, including to the security community.

In particular, the OECD should ensure that government initiatives to address legitimate **national security concerns related to international trade and investment are designed according to the principle "small yard, high fence",** and that such initiatives are not misused for protectionist purposes. In this regard, we call on the OECD to work with business to ensure that government initiatives to protect legitimate national security are carefully designed, narrowly drawn, and minimize anti-competitive impacts.

In particular, OECD discussions on the **security of supply – including those with a focus on critical minerals and materials, food, energy and other commodities, as well as digital and medical – should actively involve the private sector**. A common understanding among like-minded countries is needed, market distortions that hinder competitiveness should be avoided, unilateral measures should be prevented and negative spillovers should be minimized.

Where policy-makers consider and apply economic sanctions, close dialogue with the private sector also remains indispensable to ensure that such measures are effective, well-targeted, transparent, and minimize unintended consequences.

> *Global FDI fell by 12% in 2022. In this context,*
>
> **44%**
>
> ***of the policy measures unfavorable to investment that countries introduced in 2022 were related to national security.***
>
> *Source: UNCTAD (2023): World Investment Report*

Open Markets

At this critical juncture, the OECD business community is **deeply concerned about the state of multilateralism**, as the rules impacting global trade and investment need to adapt to multiple and new challenges.

As the urgent need for effective multilateral solutions persists, **we look to a successful outcome at the forthcoming 13th WTO Ministerial Conference**. In this context, the OECD should continue its strongest efforts to encourage progress on WTO reform, efficient rule–making, stricter monitoring and notification processes, and reform of dispute settlement. Since the voice of those that trade and invest are the best guide for the WTO, a more formal role for business in the organization's work is needed.

The OECD **business community continues to highly value the OECD's evidence-based work on trade policy**. But more needs to be done to focus on the immediate priorities of those that trade and operate global supply chains. As outlined by our publication *Trading Better, Living Better*, this includes fostering a rules-based, resilient, and robust trading system; strengthening the foundations of open markets; advancing digital trade, data flows and innovation; levelling the playing field; and securing public support for open markets.

This **must be complemented with investment policy advice that helps mobilize the enormous amounts of investment required** for more sustainable, secure, digital, and resilient economies. For this, the balance in OECD countries needs to shift from imposing requirements on investors to also catering for the needs of investors and providing them with sufficient legal certainty, transparency and stability to fill the increasing investment gap.

Above all, we call on the OECD and governments to walk-the-talk as a 'like-minded' community. This means that international trade and investment agreements – crucial tools to foster economic resilience through supply chain diversification – should be negotiated, agreed and ratified in a timely manner, especially among OECD countries.

> ***Between May and October 2023 only, G20 economies introduced***
>
> ***49***
>
> ***trade-restrictive measures***
>
> *on goods, unrelated to the pandemic. The stockpile of G20 import restrictions implemented since 2009 shows little meaningful roll back.*
>
> *Source: OECD, WTO & UNCTAD (2023): Report on G20 Trade and Investment Measures*

Sustainability

A cooling of international relations must also not put at risk **urgently needed progress on climate change, or other pressing environmental, economic and social sustainability issues**. Global progress on SDGs is off-track - with only 12% of the targets on track - at the midpoint of the 2030 Agenda, and the sustainable investment gap has increased from $2.5 trillion in 2015 to more than $4 trillion per year today[3].

As significant **'implementation and enforcement gaps' between government commitments and actions** persist - and especially on the environment - the key to success lies in addressing such challenges as a market opportunity rather than an expensive problem.

For OECD companies, the net-zero transition is not a question of if, but how. In this regard, we commend the OECD's increasing focus on hydrogen, hard-to-abate emissions sectors, and transformational change to tackle the climate mitigation challenge. We underline that the green transition should be both - environmentally effective and economically efficient. More than anything, this requires policies that establish fair and attractive market conditions, based on coherent, reliable, technology-neutral policy frameworks for all sectors.

Towards the common goal of carbon neutrality, it is essential to proceed with concrete actions, considering diverse pathways and each country's different circumstances. In this context, *Business at OECD* stands ready to further support the flagship *Inclusive Forum on Carbon Mitigation Approaches* (IFCMA) through private sector input and on-the-ground insights - an indispensable basis for robust and evidence-based analysis - to contribute to a globally more effective, coherent and better coordinated approach to carbon mitigation effort.

Moreover, the **OECD should promote the mobilization of sustainable investment** by ensuring that any sustainable finance taxonomies are well-designed, improve transparency, reduce market fragmentation, and minimize administrative burdens. In this regard, we caution however that funding efforts should not merely be labelled 'green' or 'sustainable', but they must be environmentally effective, give due consideration to transition pathways and generate virtuous circles. In addition, the OECD can also support the review of multilateral development banks' mandates by the G20 and G7, since this can have a vast impact on a variety of global finance needs - such as on climate, infrastructure, or technology advancement.

We need a **swift transition towards more sustainable food systems**, and we can do so only if engagement is initiated by all actors, public and private, throughout the food supply chain and beyond, through multidisciplinary partnerships at national, regional and global levels.

[3] UNCTAD (2023): World Investment Report 2023

> *AI has the potential to help mitigate*
>
> ***5-10%***
>
> ***of global greenhouse gas emissions by 2030***
>
> *This is would be about the equivalent of the total annual emissions of the EU.*
>
> *Source: [BCG & Google (2023): Accelerating Climate Action with AI]*

Inclusiveness

Diversity, inclusion, and gender equality contribute to productivity, innovation, trust, and business success. Dynamic and productive economies are driven by policies that foster equality of opportunity for all of society. The demographic changes that many OECD countries are undergoing make these measures more urgent than ever.

The **combination of ageing populations and a shrinking workforce poses huge challenges for labor markets and social systems** in OECD countries. If not addressed through adequate policies, this will place strong pressures on growth, public finances and living standards. To keep age-related public spending relative to GDP on a sustainable path, the OECD should advocate for policies that increase both growth and employability. This should include addressing continued barriers in labor market access, education, health, and entrepreneurship, allowing everyone to realise their full economic potential. There is also an urgent need to intensify reforms of pension systems to ensure a sustainable relationship between contribution levels, benefits, and life expectancy.

Ageing societies also challenge our health systems and long-term care systems, particularly as non-communicable diseases are on the rise. Since healthy populations are the backbone of our economies, OECD countries must deliver transformational solutions that make health and care systems more resilient, sustainable, digital, and efficient – supporting the private sector as solution provider. With health policy often designed in isolation, the OECD should break the silos between finance, health, labor, and innovation ministries. Simultaneously, the OECD should facilitate joint public-private deliberations to address long-term health and care challenges. Finally, the OECD should support its member governments in improving their preparedness for future health trends and potential shocks. The January 2024 Health Ministerial provided an excellent opportunity to highlight the importance of a visible and cross-cutting OECD work program on health policy.

> *Health expenditure should often be considered an investment, rather than a cost- Looking at the reasons for quitting jobs and exiting labor markets,*
>
> ***1 out of 5***
>
> ***workers aged 50-64 quit their jobs because of ill health across the OECD.***
>
> *Source: [OECD (2023) Pensions at a Glance]*

4. Inspiring a Better Future Globally

Business looks to the OECD and governments for **meaningful international cooperation, pragmatic diplomacy, and effective multilateralism** that seeks mutual benefits based on enlightened self-interest. More than anything, the desire for a better future and wellbeing through economic prosperity unites people across the world. In this regard, we strongly support the OECD to spread established good practices and standards for the governance of markets.

OECD enlargement provides a critical opportunity for business, and we support a robust accession process with indispensable on-the-ground insights. As the case for each accession candidate is different, we underline that a thorough assessment of the current economic and legal environment – and particularly the commitment to open markets and rules-based economies – is indispensable. The ability, capacity, willingness and responsibility of accession candidates to fully implement all OECD instruments and principles must be ensured. For this, all technical accession reviews must be adequately resourced. Trusted long-term alignment with OECD standards must take priority over short-term political considerations.

We underline that **business continues to stand in solidarity with war-affected Ukraine**, as outlined by our *Business for Ukraine* campaign. Going forward, Ukraine will greatly benefit from increased participation in OECD discussions as a platform for knowledge sharing, peer learning, and capacity building. This continued dialogue will eventually help the country move closer to OECD standards through reform. The OECD and its member countries should also actively continue to support the country's recovery and reconstruction.

We further **actively support OECD outreach to selected partner countries**. Notably, the OECD's Regional Ministerials in Southeast Asia, Latin America and the Caribbean provide valued opportunities to encourage reform that fosters private sector competitiveness, market openness and ease-of-doing business. In this regard, *Business at OECD* recently concluded a Memorandum of Understanding with ASEAN Business Advisory Council, and we look forward to work with countries in the region to prioritize reforms towards OECD standards and potential future accession. In an increasingly multipolar geoeconomic setting, the OECD should also ensure effective liaison with key partner countries. We especially value our continued dialogue with the Ambassador-led *Informal Reflection Group on China*, and underline the need to scale up the OECD's strategically important Beijing office.

Some **"non-likeminded" regimes increasingly present their economic models as systemic alternatives and counterweights to OECD countries**. State-led models may adopt stringent government controls over their private sector, prevent market access on an equal footing, distort the global economy through support measures, and in some cases also resort to economic coercion. In this regard, we count on the OECD and its government to jointly identify effective ways to counter such practices. For this, dialogue and coordination are key.

International coordination should also be supported through the **OECD's continued, active and strong engagement with the G7 and G20**. In this regard, we highlight the role of *Business at OECD* as a network partner to both, the Italian B7 and the Brazilian B20 presidency, and we offer our partnership to the OECD and its member governments to foster a successful exchange and collaboration in these formats.

Setting Standards: For the OECD and Beyond

As we support the OECD to broaden its global reach in an increasingly geopolitical setting, we underline that the **OECD acquis** critically depends on the credibile development and implementation of the Organization's "likeminded" membership. Therefore, it must be a strategic top priority that OECD Committees and Directorates step up their efforts to ensure that the Organization's Decisions and Recommendations remain up-to-date, supportive of private sector-led growth, and are not watered down. Objective OECD peer reviews are instrumental in this regard, as well as consultation with the private sector. We underline our engagement in discussions related to OECD critical standards, including the following:

- The OECD continues to design and facilitate the implementation of the **OECD/G20 BEPS Inclusive Framework Two Pillar Solution**. Jurisdictions are evaluating a treaty to reallocate a portion of the profits of large multinationals to market jurisdictions (Pillar One) and adopting a global minimum effective tax rate of 15% (Pillar Two). In-scope businesses are providing the OECD with insights and observations from the implementation process to ensure transparency, clarity, and consistency, while minimizing compliance costs in the international tax system.

- We commend the OECD for its steadfast work revising the ***OECD Guidelines on Corporate Governance of State-Owned Enterprises***, which should be instrumental to help ensure a level playing field between SOEs and the private sector, addressing the growing global influence of SOEs. As we have been contributing with detailed feedback, some of our outstanding points relate to enhancing the clarity and applicability of this instrument.

- The on-the-ground implementation of the ***OECD Decision on the Control of Transboundary Movements of Wastes Destined for Recovery Operations*** suffers from several operational challenges, exceedingly long timelines for authority responses, and a lack of digitization. We call on OECD governments to walk-the-talk as a like-minded community, review the Decision's effective implementation in 2024, and make a tangible contribution to international trade, environmental sustainability, and security of supply.

- As the ***OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*** marks its 25th anniversary, we will proactively engage in discussion with the OECD and governments in 2024 on how to step up public-private collaboration in the fight against emerging corruption trends and rapid technological progress. Our recent *Business at OECD* [Zero Corruption Manifesto] outlines key business recommendations in this regard.

- Following the adoption of the ***OECD Declaration on Government Access to Personal Data held by Private Sector Entities*** in 2022, OECD work to advance the G7 agenda on *Data Free Flow with Trust (DFFT)* remains a priority for the business community. As part of this agenda, we recommend that OECD explore issues related to non-personal data and international commercial rules, and encourage dialogue to broaden adoption of the Declaration beyond OECD members.

- Continued multistakeholder cooperation and review of the ***OECD AI Principles*** is essential to ensure that they remain fit for purpose and in line with the new OECD definition of AI systems. With the rapid development and evolution of AI technologies, ensuring their trustworthy development and implementation is critical, while fostering a pro-innovation environment.

5. Conclusion

In 2024, ***Business at OECD*** **calls on the OECD and governments to urgently reinforce the competitiveness of our market-based democracies**. Economic strength is not only the fundamental basis for our common security, it is also an indispensable prerequisite for our countries to lead on global challenges – including with regard to upholding multilateralism, driving sustainable development, and ensuring economic participation of all. With this, the OECD can also earn the goodwill of societies beyond its membership, and spead its standards to inspire a better future globally.

For this, we reiterate our overarching call for the OECD in 2024 to develop an annual "*OECD Better Policy for Competitive Business*" publication. At the same time, we emphasize the need to strengthen the OECD's visibility and presence in its member countries. **The Organization's success is closely tied to the buy-in of its members, and driven by the support of the business community.** Companies and entrepreneurs must be sufficiently aware of the OECD's mission and vision, as well as the principles and policies that it supports – especially in areas where governments may question its value.

Above all, our market-based democracies must not forget that competitiveness, competition, and a level playing field are the incontestable drivers of excellence and success – in business, just as much as elsewhere. As the world will look to the city of Paris to host the Olympic Games in 2024 - only a short walking distance away from the OECD Headquarters – we hope this will serve as a stark reminder that only those who compete fairly can grow "Faster, Higher, Stronger - Together"[4].

[4] IOC (2023): Olympic Motto

6. Further Resources

Selected Business at OECD 2023 Flagship Publications

Economic Policy Survey 2023

Business at OECD (BIAC) Economic Survey from a Business Perspective

Our annual economic survey released in May provides a snapshot of the business sentiment in OECD countries, reflecting the views of leading national business and employer organizations. The synthesis report underlines that in 2023 business remained concerned about the overall economic environment, as heightened geopolitical tensions remain a key risk to global economic growth.

Trading Better, Living Better

Business at OECD (BIAC) *Priorities for the OECD Trade Agenda*

This document provides our considered assessment of business priorities for the OECD agenda. These include fostering a rules-based, resilient and robust trading system; strengthening the foundations of open markets; advancing digital trade, data flows and innovation; levelling the playing field; and securing public support for open markets.

More, Better and Safe Investment

Business at OECD (BIAC) *Priorities for the OECD Investment Agenda*

This document sets out the business priorities for the OECD investment agenda. In particular, it highlights that, for leveraging the enormous amounts of investment required for a more sustainable, secure, digital, and resilient economy, the focus of the OECD needs to shift from imposing requirements on investors to catering for the needs of investors.

Promoting and Enabling Responsible Business Conduct in the Global Economy

Business at OECD (BIAC) *Contribution to the OECD Ministerial Meeting on Responsible Business Conduct*

This document presents key business messages, as a contribution to the *OECD Ministerial Meeting on Responsible Business Conduct* in February. The document also highlighted comments in the context of the revision of the OECD Guidelines for Multinational Enterprises.

Emissions Measurement in Supply Chains: Business Realities and Challenges

World Economic Forum, OECD and Business at OECD (BIAC) *Joint Paper*

Our joint paper provides an overview of the measurement of supply chain emissions in three key sectors, focusing on businesses' challenges and preparedness, and flags some important issues for policy action.

Building on the Momentum for a Fit-For-Purpose OECD Arrangement

Business at OECD (BIAC) *Position and proposals on the OECD Export Credits Arrangement*

This document was released in the context of the annual *OECD Export Credits CSO Consultation*. It emphasizes our support to the *OECD Export Credits Arrangement* and the need to establish a global playing field to ensure that competition amongst exporters is based on the quality and price of goods and services, rather than on the favourability of public financial support. It also highlightst that there remains a need to align the rules for development and export finance on debt products more coherently.

What's Next for Agriculture

"What's Next for Agriculture" insights report prepared by our Food and Agriculture Committee builds upon our previous contributions to the B7 and explores further the practical actions that can be undertaken to enable more sustainable, productive and resilient food systems. Taking stock of the current situation in agriculture markets and the outcomes of the *OECD Agriculture Ministerial*, our report provides for a shared action agenda for agribusinesses and governments.

Health Synthesis Report

Drawing from insights gleaned at this year's *Health Forum*, the *Health Synthesis Report* document outlines the private sector's recommendations to OECD Ministers on how to leverage health as a key for economic resilience, setting the scene for the *OECD Health Ministerial* in January 2024.

Shaping the Values for a Sustainable Future: Education for the Fight Against Corruption

Business at OECD (BIAC) Recommendations for the OECD Agenda on Anti-Corruption

This document underlines the role of education and training in promoting integrity in organisations and society as a whole. It is underpinned by 18 concrete use cases that showcase how companies and other relevant organisations apply training in their daily anti-corruption efforts. The paper also provides policy recommendations on how to better leverage this important tool for integrity.

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