



BUSINESSatOECD

Accession to the OECD: Unlocking Opportunities

A Private Sector Brief

November 2024

Strengthening the Business Environment
in OECD Candidate Countries:

Argentina

Brazil

Bulgaria

Croatia

Indonesia

Peru

Romania

Thailand



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.

About the OECD

Why It Matters to Business

What is the OECD?

The Organisation for Economic Co-operation and Development (OECD) is an international organization founded in 1961, which provides a **forum for governments to collaborate on economic and social policy issues**. From improving economic performance, fostering trade, investment, entrepreneurship and job creation, over leading global tax discussions to shaping the sustainability agenda. The OECD's members are 38 "like-minded" market-based democracies – many of which are high-income economies – committed to shared values and principles for the governance of markets.

How does the OECD impact business?

The OECD matters to the private sector, because the organization:

- **sets global standards** including through more than 250 legal instruments in force.
- **supports global governance** through close cooperation with key fora, including the WTO, the UN, or the G7 and G20 for which the OECD implements key mandates.
- **encourages domestic reform** by promoting policy agendas that have direct impact on our business environment and competitiveness.
- **shares best practice policies** by providing a platform for government exchanges in over 300 specialized OECD Committees, Working Parties and Expert Groups.
- **provides strategic foresight** by analysing long-term trends and economic risks that will impact our economies in the years ahead.

Why is the OECD unique?

Several features give the OECD a distinct profile among IOs:

- **Like-mindedness:** The OECD is a forum for "likeminded" countries committed to principles of market-based democracies.
- **Whole-of-government view:** The OECD covers policy-making across all major policy areas that affect the private sector.
- **Evidence-based work:** OECD exchanges generally benefit from strong evidence, fact-based analysis and data, and the Organization's unique knowledge infrastructure.
- **Stakeholder collaboration:** The OECD has an institutionally enshrined relationship with stakeholders. *Business at OECD* (BIAC) has been the voice of the private sector since 1962.

Facts and Figures

What Are the Benefits for Business

Becoming a member of the OECD provides an important opportunity to enhance a country's international standing and raise the bar for economic and social governance. This can also have tangible benefits for the business community operating in and with these countries.

Stronger Economic Growth

- **GDP Growth:** OECD member countries tend to enjoy a **2-3% higher GDP per capita** growth over time compared to non-member nations, attributed to improved policies and reforms influenced by OECD guidelines and peer reviews.

More Trade and Foreign Investment

- **Increased FDI Inflows:** OECD membership signals to investors that a country adheres to international standards of transparency, regulatory quality, and stability. Studies have shown that OECD membership can **increase a country's FDI inflows by up to 30%** due to enhanced investor confidence.
- **Trade Growth:** OECD membership is associated with a boost in trade volumes. OECD countries **trade around 25% more with other OECD countries** than with non-members, due to harmonized trade policies and regulatory standards.

Closer Regulatory Alignment and Harmonization

- **Financial Regulation:** Through frameworks like the OECD's Common Reporting Standard (CRS), member countries standardize tax reporting and combat tax evasion. This alignment facilitates financial transactions and transparency, **reducing regulatory burdens by up to 20% for financial institutions** operating in multiple OECD jurisdictions.
- **Digital Regulation:** OECD promotes the adoption of digital standards on data privacy, cybersecurity, and cross-border data flows, crucial for a digital economy. This regulatory harmonization supports digital trade and services, creating efficiency and **reducing data management costs across borders**.
- **Chemicals Safety and Management:** OECD's work on chemicals reduces duplication of testing and compliance efforts among member countries. By using the OECD's Mutual Acceptance of Data (MAD) system, member countries accept safety data generated in other OECD countries, which **cuts costs for the chemical industry in this area by an estimated 30%** and speeds up market access for safe chemicals.

Better Performing Governments

- **Public Sector Efficiency:** OECD member countries tend to see improvements in governance efficiency, often measured by World Bank governance indicators. Member countries generally **score 15-20% higher on governance quality** compared to non-OECD countries.
- **Transparency and Anti-Corruption:** The OECD's Anti-Bribery Convention and public sector transparency standards help reduce corruption. Membership can reduce **corruption indicators by 10-20% over time** (e.g., Corruption Perception Index scores) as countries align with OECD best practices.
- **Efficiency Gains through Peer Reviews:** OECD peer reviews help countries identify and implement best practices more quickly, leading to quantifiable improvements in policy efficiency. These reviews can **accelerate reform processes by 10-15%** compared to countries implementing policies without OECD oversight. The OECD also offers a vast repository of data, research, and policy tools.

Lower Borrowing Costs for Public Investments

- **Credit Ratings:** OECD Membership is often associated with improved credit ratings by signaling stability and adherence to international standards. Membership can positively impact credit ratings, which can lower borrowing costs by up to 0.5% on sovereign debt.
- **Access to Financial Markets:** With better ratings, OECD members have improved access to international financial markets, allowing them to raise capital more efficiently. This can lead to increased investment in infrastructure, directly benefiting economic development.

More Active and Educated Workforce

- **Educational Improvements:** Membership often spurs investment in education and alignment with OECD education standards, which correlates with improved educational outcomes. For example, OECD countries generally score 10-15% higher on PISA assessments (measuring educational performance) than non-member countries.
- **Workforce Participation:** OECD policies and guidance encourage overall labor market inclusiveness, including higher female workforce participation. This can increase labor force participation rates by up to 5%, contributing to higher productivity and economic growth.

Sources: *Business at OECD* (BIAC) internal assessments and evaluations.

The OECD Accession Process

A 'Fitness Test' for Governments

Countries that strive to become members of the Organization, have to go through an "OECD Accession process". As not every country is suitable to join the OECD, this includes an in-depth 360° assessment of a country's principles, policies and practices, including on:



The Way towards OECD Membership

Key Milestones

Opening of Accession Discussions

The OECD Council can open accession discussions with any country wishing to become an OECD member, considering an assessment against an evidence-based [Framework for the Consideration of Prospective Members](#) amongst other factors. Upon taking a positive decision by consensus, it requests the OECD Secretary-General to offset out the terms, conditions and process for accession.

1

Agreement of an Accession Roadmap

Following the decision to start accession discussions, the OECD Secretary-General prepares an [Accession Roadmap](#), which is also approved by the OECD Council by consensus. The Accession Roadmap lists the OECD Committees conducting accession reviews, as well as the basis of their evaluation of OECD standards and best practices.

2

Technical Reviews by OECD Committees

The candidate country is required to submit its "Initial Memorandum": an initial self-assessment against all OECD legal instruments. Following this, it undergoes a multi-year, in-depth technical review by the substantive OECD Committees listed in the Accession Roadmap. The OECD Secretariat prepares background reports to support the accession discussions of OECD Committees. At the end of their review, OECD Committees provide *Formal Opinions* to the OECD Council.

3

Assessments of Other Political Criteria

In addition to the technical and procedural requirements of the Accession Roadmap, OECD Council members may decide to complement this with terms and conditions of a more political nature. The shared values, vision and priorities of the Organisation are also a central element throughout the accession process.

4

Conclusion of the Accession Process

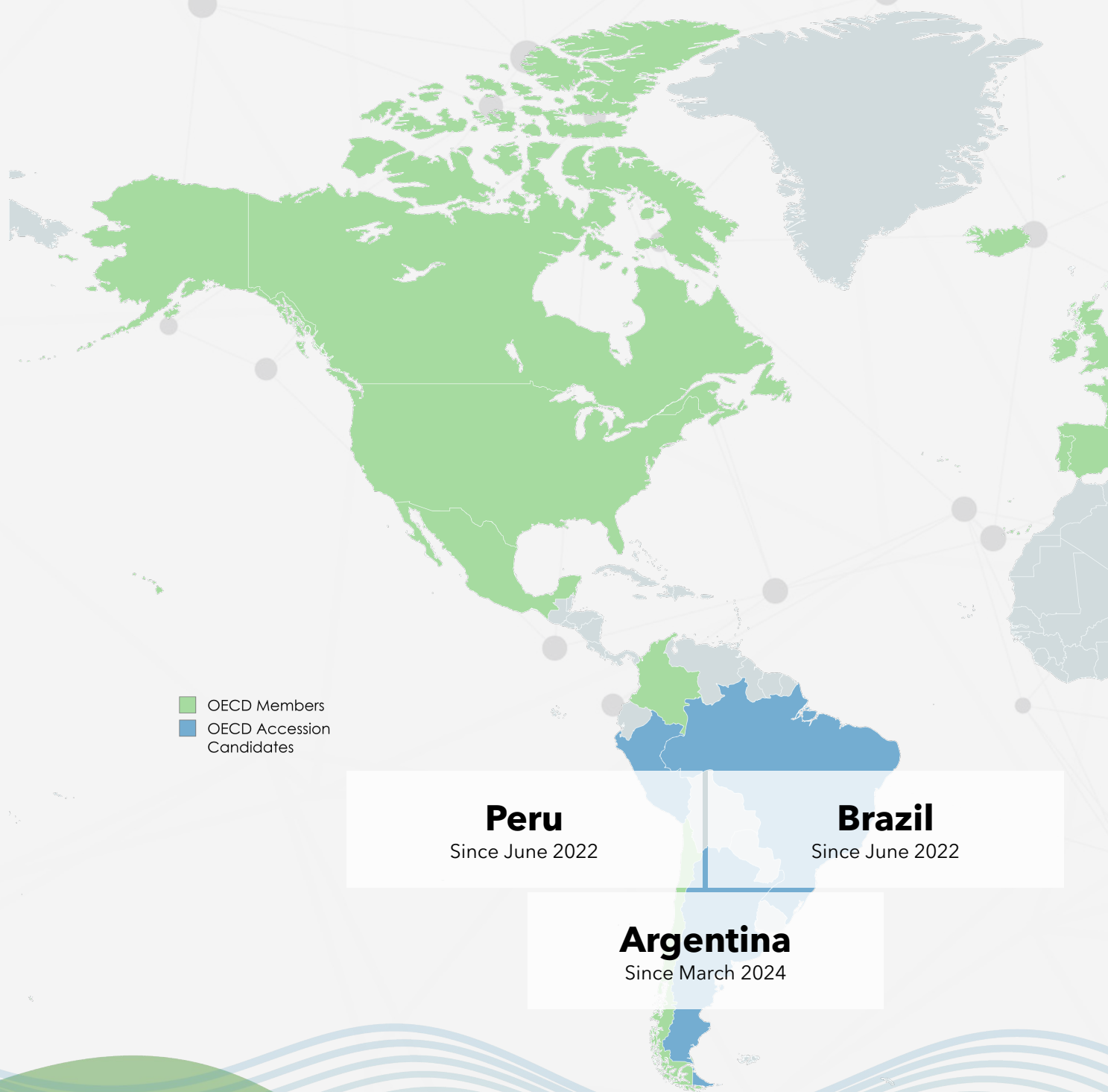
On the basis of the *Formal Opinions* of Committees, and the consideration of other relevant information, the OECD Council will decide by unanimity whether to invite a candidate to accede to the OECD Convention. It will also set out the terms and conditions of that invitation. Upon being invited, the country will need to complete the domestic steps necessary to deposit its Instrument of Accession to the OECD Convention. It becomes a Member on the date of such deposit.

5

Reaching Out Globally

Which Countries Are Candidates

At the June 2022 Ministerial Council Meeting, the OECD adopted dedicated Roadmaps for the accession of **Brazil, Bulgaria, Croatia, Peru and Romania**.



In 2024, the OECD also adopted Roadmaps for the accession of **Argentina** (March), **Indonesia**, and **Thailand**.

Croatia

Since June 2022

Romania

Since June 2022

Bulgaria

Since June 2022

Thailand

Since 2024

Indonesia

Since 2024

Unlocking Opportunities How Business can Engage

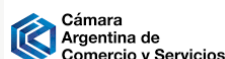
How can business bring reform priorities to the table?

- As the OECD's institutional private sector stakeholder, *Business at OECD* (BIAC) serves as an **informed, trusted, and collaborative focal point for business** in the OECD accession process.
- Working closely and constructively with our global business network, governments and the OECD Secretariat, **we bring business priorities for reform in OECD accession candidate countries to the table.**
- Aligning closely with the OECD process and recognizing the confidential nature of the accession process, **we support business and collect on-the-ground issues and insights - and elevate them at the right time, at the right place.**

Get in Touch

with our Observer Organizations in Candidate Countries

Argentina



Argentina



Brazil



Bulgaria



Croatia



Egypt



India



India



Indonesia



Peru



Romania



Singapore



South Africa



Thailand



Ukraine



Ukraine



Get in Touch

with our National Member Organizations in OECD Countries

Australia
Austria
Belgium
Canada
Chile
Colombia
Costa Rica
Costa Rica
Czech Republic
Denmark
Denmark
Estonia
Finland
France
Germany
Germany
Greece
Hungary
Hungary
Iceland
Ireland
Israel
Italy
Italy
Italy
Japan
South Korea
Latvia
Lithuania
Luxembourg
Mexico
Netherlands
New Zealand
Norway
Portugal
Poland
Slovakia
Slovenia
Spain
Sweden
Switzerland
Switzerland
Türkiye
Türkiye
Türkiye
UK
United States

Australian Chamber of Commerce and Industry (ACCI)
Federation of Austrian Industries (IV)
Federation of Belgian Enterprises (VBO FEB)
Canadian Chamber of Commerce
Confederation of Production and Commerce of Chile (CPC)
National Business Association of Colombia (ANDI)
Costa Rican Union of Chambers and Associations of the Private Sector (UCCAEP)
Chamber of Industries of Costa Rica (CICR)
Confederation of Industry of the Czech Republic (SP)
Danish Employers' Confederation (DA)
Confederation of Danish Industry (DI)
Estonian Employers' Confederation
Confederation of Finnish Industries (EK)
Movement of the Enterprises of France (MEDEF)
Confederation of German Employers' Associations (BDA)
Federation of German Industries (BDI)
Hellenic Federation of Enterprises (SEV)
Confederation of Hungarian Employers and Industrialists (MGYOSZ)
National Association of Entrepreneurs and Employers (VOSZ)
Confederation of Icelandic Enterprise (SA)
Ibec (Irish Business and Employers Confederation)
Manufacturers' Association of Israel (MAI)
The Association of Italian Joint Stock Companies (Assonime)
General Confederation of Italian Industry (Confindustria)
Italian Banking Insurance and Finance Federation (FeBAF)
Keidanren (Japan Business Federation)
Federation of Korean Industries (FKI)
Employers' Confederation of Latvia (LDDK)
Lithuanian Confederation of Industrialists (LPK)
FEDIL - The Voice of Luxembourg's Industry
Employers Confederation of the Mexican Republic (COPARMEX)
Confederation of Netherlands Industry and Employers (VNO-NCW)
BusinessNZ
Confederation of Norwegian Enterprise (NHO)
Confederation of Portuguese Business (CIP)
Polish Confederation Lewiatan
National Union of Employers (NUE)
Association of Employers of Slovenia (ZDS)
Confederation of Employers and Industries of Spain (CEOE)
Confederation of Swedish Enterprise
economiesuisse - Swiss Business Federation
Swiss Employers Confederation
Turkish Confederation of Employer Associations (TISK)
Union of Chambers and Commodity Exchanges of Türkiye (TOBB)
Turkish Industry and Business Association (TÜSIAD)
Confederation of British Industry (CBI)
United States Council for International Business (USCIB)

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