



International Chamber of Commerce

The world business organization



INTERNATIONAL CHAMBER OF COMMERCE

Letter from the Secretary General

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Dear colleagues,

The past several weeks have been particularly active at ICC. In this letter, I will discuss the following topics:

- The Copenhagen climate summit
- The Executive Board meeting in New Delhi
- The CEO Forum in New Delhi
- Fifth Global Congress Against Counterfeiting and Piracy
- Internet Governance Forum
- A visit to Brussels
- Regional NC meeting in Chile
- Institute of World Business Law celebrates 30th anniversary

ICC actively contributed to the work of the UN climate change conference in Copenhagen. playing a leading advocacy role as the official focal point for business and industry. While the result of the conference was not the robust agreement business was hoping for, heads of state did provide a basis towards the development of a meaningful agreement. At the very least, the Copenhagen summit also helped to raise consciousness about the issues and the gravity of climate change. To that end, ICC's views were successfully shared around the globe through radio, television and print media during the summit.

A lot more needs to be done in 2010 to deliver a robust, legally-binding post-2012 framework agreement. ICC will continue its advocacy work, maintaining that any future framework must provide business with a clear and predictable roadmap to contribute solutions, especially by stimulating investment and deploying existing and advanced technology on the necessary scale to enable a transition towards a low-carbon economy.

ICC also believes that any eventual agreement should support intellectual property rights and keep all energy options open. It should also require signatory countries to develop and report progress on their national climate strategies. As a leading supporter of open, multilateral rules-based trade, we believe an inclusive agreement that comprises action from all major emitting parties is the best way to avoid distortions to competitiveness and steer clear of harmful trade restrictions. Without action by all major greenhouse gas emitters, long-term climate goals simply cannot be achieved.

The post-Copenhagen process should engage business as much as possible. Going forward, we hope to see the creation of more effective ways for governments to benefit from business expertise in this area. It is also imperative to avoid technology restrictions or exclusions, in particular in developing existing and proposed new market mechanisms.

The Executive Board

The final Executive Board meeting of the year took place in New Delhi, where we also concluded our celebration of ICC's 90th anniversary and held a regional CEO Forum. The Board meeting adopted the 2010 budget and focused on developing strategies to find new sources of revenue during this difficult economic period. In this context, ICC Chairman Victor K. Fung announced he would head a working group to develop a wide-ranging strategy to maximize the global impact of ICC's new Incoterm rules, traditionally a major source of revenue for us. The new rules will be launched around the middle of 2010.

A second important measure was the introduction of a revised version of the Uniform Rules for Demand Guarantees (URDG) that are destined to apply to hundreds of billions of dollars of demand guarantees securing monetary and performance obligations in a wide array of international and domestic contracts. The revised rules, the first in 18 years, will enter into force on 1 July 2010.



The Executive Board adopted the 2010 budget in New Delhi

The URDG have gained increased acceptance over the years, and provide the latest example of ICC's leadership in writing the rules that govern some \$14 trillion of international trade. They are the result of an ambitious project to create a new set of rules for the 21st century that is clearer, more precise, and more comprehensive, offering the fairest balance yet between the parties' competing interests and doing so in innovative ways.

I would like to especially thank Georges Affaki and his team wfor two years of hard work in revising the new rules.

ICC India organized a regional CEO Forum on the occasion of the Executive Board's meeting in New Delhi. This brought together leaders from international business, government and academia to discuss "Globalization and Inclusive Growth." The experts recognized that while globalization has pulled hundreds of millions of people out of poverty, mainly in Asia, many have stayed behind and therefore much remains to be done.

ICC India did a great job and I must thank their leaders for the warm hospitality extended to the many visitors.

International Presence

In addition to the UN climate change conference, ICC took an active role in two other important international conferences during the past month – the Fifth Global Congress on Combating Counterfeiting and Piracy in Cancun, Mexico, and the Internet Governance Forum in Sharm el-Sheikh, Egypt.

ICC participated in the Mexico Congress through its Business Action to Stop Counterfeiting and Piracy (BASCAP), launched to connect and mobilize businesses across industries, sectors and national borders in the fight against a problem estimated to cost the global economy US\$750 billion annually.

A study commissioned by ICC and released at the Congress showed that 80% of consumers in five countries polled have at one time purchased counterfeit goods. Rather disturbingly, they said they felt little or no remorse for doing so. As ICC BASCAP Coordinator Jeffrey Hardy said: "Consumers need to see they are exposing themselves and their families to unsafe and dangerous products. They need to understand the real harm that can come to their communities as workers employed by legitimate brands are put at risk when counterfeit or pirated products replace purchases of legitimate goods."

While there are many competing priorities for limited government and private sector resources in today's tight economic environment, this is not the time to recoil on efforts to deal with the growing threat to society posed by counterfeit goods, which now include medicines, food and crucial spare parts for automobiles and airplanes.



I had the opportunity to attend the fourth Internet Governance Forum in Sharm el-Sheikh, where business, government, and civil society leaders gathered to discuss the future of this network of networks. The world business community has a crucial stake in the open and inclusive yet orderly development of the Internet. Today more than ever, businesses in all sectors depend on the Internet and information communication technologies, which is why ICC has taken a leading role in Internet governance through its Business Action to Support the Information Society (BASIS) initiative. Under its umbrella, global business contributes to a more inclusive, people-centered information society and helps the Internet reach its full potential. Convened under the aegis of the UN Secretary General, the IGF is the only forum where all entities – business, governments, civil society and the technical community – can discuss the future of the Internet on an equal footing. It is essential that the IGF, whose mandate expires next year, continues in its current format.

“The lack of multi stakeholder involvement has often led to ill-informed decision making, resistance in society and suspicions among the different players,” Herbert Heitmann, Chair of the ICC Commission on E-Business, IT and Telecoms, told the gathering. “The Internet Governance Forum, as we know it today, has fortunately prevented these shortfalls so far. It has helped to make the Internet a universally applauded, appreciated and heavily utilized medium globally. Business wants the IGF to be continued and strongly opposes changes to its founding principles.”

Brussels visit

A two-day visit to Brussels gave me the opportunity to meet with the Vice Governor of the Bank of Belgium, Luc Coene, and the secretary general of the World Customs Organization, Kunio Mikuriya. I also attended meetings of the ICC Banking Commission and the ICC Commercial Law and Practice Commission, which approved the final drafts of the Uniform Rules for Demand Guarantees. During the trip I paid my first visit to ICC Belgium.



Regional NC Meeting in Chile

Our efforts to improve communications between national committees took an important step with the first meeting of the ICC Regional Coordinating Group for the Americas that recently brought together 12 national committees from South America, the United States and Spain. The sessions discussed the priorities of the region’s national committees, including the promotion of the ATA Carnet System in Argentina, Brazil, and Mexico.

In a keynote speech, ICC Vice Chairman Rajat Gupta told the gathering: “More than ever before in our lifetimes, choices in public policy will shape the economy’s ability to rebound from the recession. The right mix of policies could help lead to a long-term renewal – while misguided policy choices could slow the economy to a slow, painful crawl.”

30th anniversary of the Institute of World Business Law

To celebrate the 30 years since its founding, the ICC Institute of World Business Law returned to the theme of its first annual conference – multiparty arbitration. The Institute also announced that the laureate of its second annual World Business Law Prize was Denis Mouralis for his thesis *Arbitration Confronted to Parallel Proceedings*. Matthieu Maisonneuve received a special mention for his thesis *The Arbitration of Sports Disputes*. During the past three decades the Institute has fostered wider knowledge and development of international business law and practices, thereby helping to create a bridge between lawyers and businessmen through training and think tank activities.

Season’s greetings

The last 12 months have been particularly eventful for ICC with the celebration of our 90th anniversary, the creation of the ICC Research Foundation, and the numerous challenges brought about by the world economic recession.

As we come to the end of the year, I wish to express my gratitude to all the members of the ICC family for their dedication and professionalism. My hope is that 2010 will see the world economy return to sustainable growth and that we will work even closer together to build on the accomplishments of the past and construct a stronger, more dynamic ICC.

Yours sincerely,

Jean Rozwadowski