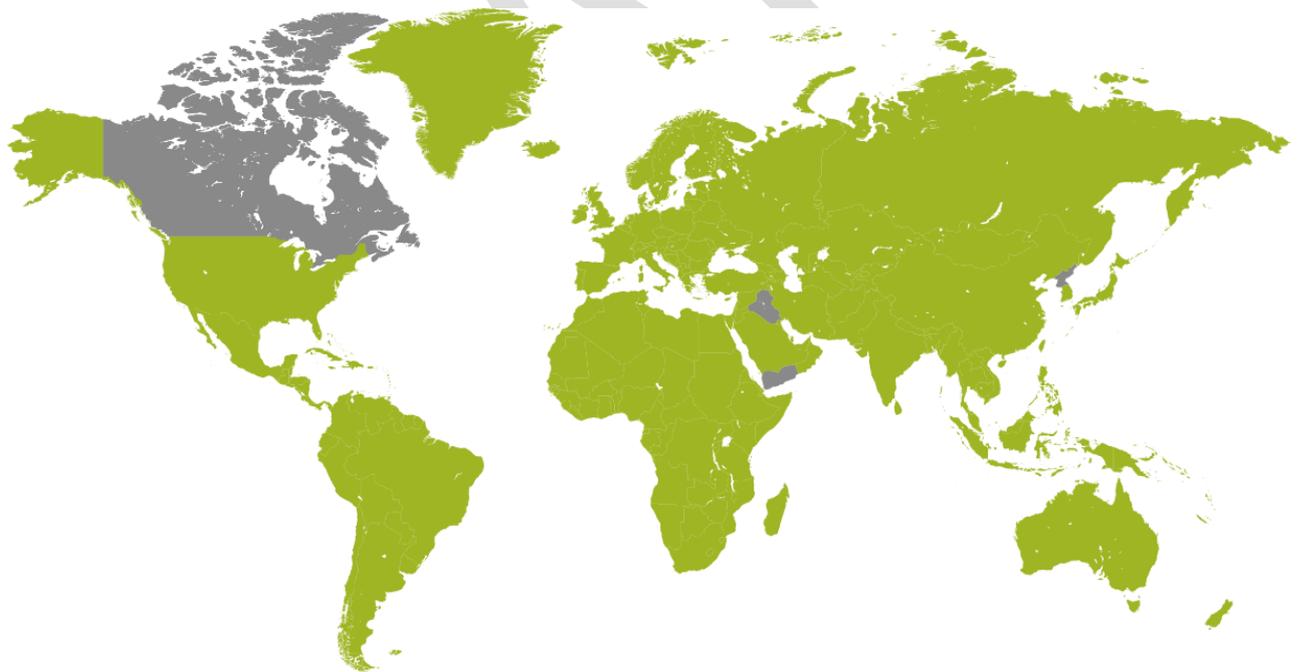




**Draft Report by EUROCHAMBRES  
with the cooperation of the Global Chamber Platform**

**October 2015**

**GLOBAL ECONOMIC REPORT 2016**



**Global Chamber Platform**

**Regional Coverage of the Global Chamber Platform (GCP)**

The Global Economic Survey 2016 was conducted during the months of September and October 2015 among Members of the Global Chamber Platform. The report was reviewed and adopted during the annual GCP gathering on 14 October 2014 in Luxembourg. The Survey intends to gather a qualitative assessment from GCP Members on global economic developments, trade policy and other key policy challenges. Thus, conclusions drawn from the answers reflect the majority opinion of GCP Members, without prejudice to diverging opinions of single Members, which are sought to be highlighted in the report were appropriate.

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 Members that responded to the 2015 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)
- **Iran** Chamber of Commerce, Industry and Mines (ICCIM)
- Association of **European** Chambers of Commerce and Industry (EUROCHAMBRES)
- Chamber of Commerce and Industry of the **Russian Federation**
- Confederation of **Asia-Pacific** Chambers of Commerce (CACCI)
- **US** Chamber

Additionally, contributions were made from:

- Confederation of Industrial Chambers of **Mexico** (Concamin)
- Union of Chambers and Commodity Exchanges of **Turkey** (TOBB)

For its responses, EUROCHAMBRES could count on the following contributions from its Members:

- CCI France
- Luxembourg Chamber of Commerce
- Federation of Belgian Chambers of Commerce
- Chambers of Commerce and Industry of Slovenia
- Austrian Federal Economic Chamber (WKO)
- Croatia Chamber of Commerce
- Portuguese Chamber of Commerce

## Executive Summary:

### I. Global Growth and Business confidence

- **Mixed picture** in terms of growth expectations by GCP Members for the remaining month of 2015, with **downward trends for Latin America, China and the Mediterranean**, and stabilizing growth levels in advanced economies, when compared to the World Bank economic outlook form June.
- **Business confidence for 2016** is expected to be negative for China and the Mediterranean pointing to a further economic slowdown in those regions also for next year. Business confidence is expected to pick up in Europe, East Asia and the Pacific, Latin America as well as for the United States in 2016, according to the GCP.
- For the second year in a row, GCP Members point to **political and social insecurity** as the **main threat to global growth in 2016**. Fiscal crises in major financial centres is seen the second biggest challenge for the world economy, with income inequality ranking third, even though GCP views greatly diverge on this topic in particular.  
Concerns regarding the health of the financial sector has dropped to the 4<sup>th</sup> place, which marks a noteworthy departure from last year's ranking where it was seen as a top challenge for the global economy.

### II. Financial Services

- While political and social insecurity, and risks of major fiscal crises have taken the centre stage in terms of key challenges for global growth in 2016, the trust of GCP Members in measures to secure financial stability and future crisis prevention has dropped noticeably. In fact, this year **no GCP Member considers efforts undertaken so far to secure financial stability to be sufficient**, with some indicating that current measures have even proved misguided and excessive.
- To restore confidence and avoid future financial crises, **GCP would prioritize international solutions to stabilize the financial system**, such as promoting international convergence of standards in the regulatory and supervisory area as well as strengthening the development and compliance with global standards.

### III. Climate Change

- Significantly enhanced international cooperation, clear emission targets for all parties and a legally binding agreement are the **three keys to success for securing a positive outcome of COP 21** in Paris later this year, according to the GCP.

- GCP members consider support programmes for innovation (e.g. carbon capture and storage, energy storage etc.) as well as grants for modernizing industries and for deploying more efficient technologies, as **most effective instruments** governments could implement to **cost-effectively reduce GHG emission** of industry.

#### IV. Trade and Investment

- For four consecutive years, GCP Members ranked the **insufficient access to finance and investment as the main problem for companies** on a day to day basis in the GCP regions, showcasing a steady lack of progress across the world economies to secure sufficient access to capital for companies.
- **Attracting more investment** through a business friendly climate is seen by the GCP as the **most important policy** by governments in order to boost the **competitiveness** of companies. Informal barriers to foreign direct investment (FDI), such as lack of transparency and de facto barriers to investment, as well as the lack of effective protection of Intellectual property being seen as the main obstacles towards increased investment flows into GCP regions.
- **More trade and economic integration**, whether conducted nationally, regionally or multilaterally through the negotiations of Free Trade Agreements (FTAs) is seen as the **most effective tool to reduce trade barriers globally**, according to the GCP.
- **Customs and Trade facilitation** has widely been seen among the GCP as a top priority for further action by governments in 2016. Fast track customs clearance for SMEs, the consequent establishment of “single windows” and increased transparency and predictability of advance rulings are thereby the main priorities GCP Members recommend their governments to implement next year.

#### V. Small and Medium Sized enterprises (SMEs)

- GCP Members acknowledge **deficiencies** in the regulatory processes of their respective regions, when it comes to business involvement and contribution, in particular concerning the **systematic involvement of SME’s in the making of new regulations**. The latter should be a particularly worrisome sign for policy makers, as SME’s constitute not only the bulk of enterprises in the economy, but are also the ones suffering most from adapting and complying with new regulations.
- With Small and Medium sized Enterprises (SMEs) moving to forefront in trade policy across several regions, **GCP Members have a favourable view of a multilateral approach to better integrate SME’s in global trade**, in particular through concrete

initiatives to that aim at the WTO. Lack of information in identifying business opportunities and analysing and locating markets and market obstacles, thereby remain top obstacles for SME internationalisation, according to the GCP.

### **1) Expectations for real Gross Domestic Product (GDP) growth in their respective regions for this year 2015, compared to the World Bank's forecast.**

GCP Members were asked about their expectations for regional GDP growth rates for 2015, compared against World Bank forecasts from June 2015.

#### **Overall Analysis:**

This year's Global Economic Survey shows a mixed picture in terms of expected growth rates for 2015, with the vast majority of GCP Members either expecting growth rates to remain identical to the World Bank forecast or to be gloomier than predicted, especially for Latin America, China, Turkey and the Mediterranean region. With the notable exception of Concamin from Mexico, no GCP Member predicts growth levels to be higher than the World Bank prediction.

In this regard, 4 Members are expecting GDP growth rates for 2015 to be identical, namely, the Russian Federation of Chambers of Commerce, EUROCHAMBRES, CACCI, ICCIM.

Another 4 Members are expecting less optimistic growth rates to the World Bank, being CCPIT for China, AILA for Latin America, TOBB for Turkey and ASCAME for Middle East and North Africa.

The GCP seem therefore to confirm trends that global growth is expected to be driven by a strengthening recovery in major advanced economies, while at the same time growth is slows in emerging markets, particularly China and Latin America (with the notable exception of Mexico)

Overall, GCP answers seem to point to the world economy still experiencing an noteworthy degree of volatility and uncertainty, as it enters the final month of 2015. The decline in commodity prices, adjustments in exchange rates (with the US dollar appreciating and weakening of most other currencies), risks from deflation in the Eurozone, tighter external financial conditions, or global trade growth slowing, are just a few examples of the economic factors at play. In addition, increased geopolitical uncertainty across several regions of the world, such as the South China Sea, Ukraine or the Middle East weigh in on global growth predictions.

A key challenge for policy makers and business will be to, raise productivity, invest in people, and build trust and confidence in the global economy, as well as fostering better global governance to better diffuse political crises.

### **East Asia and the Pacific (World Bank estimate: 6.7%)**

CACCI signalled growth expectation to be identical to the World Bank' forecast.

### **Peoples Republic of China (World Bank estimate: 7.1%)**

CCPIT expects a 7% GDP growth rates for China.

### **Europe/Euro Area: (World Bank estimate: 1.5%)**

EUROCHAMBRES sees GDP growth for Europe in 2016 to be identical

### **Republic of Turkey: (World Bank Estimate: 3.0%)**

TOBB expects 2.7% GDP growth rate for Turkey in 2016.

### **Russia (World Bank estimate: -2.7%)**

TPPRF expects economic growth for Russia to be identical the World Bank forecast.

### **Middle East and North Africa (World Bank estimate: 2.2%)**

ASCAME predicts growth to be less optimistic.

### **Latin America and the Caribbean (World Bank estimate: 0.4%)**

AILA predicts growth in 2016 to be lower, between 0% and 0.2% though Concamin predicts a 1.8% growth for the region.

### **Eurasia and Central Asia (World Bank estimate: 1.8%)**

ICCIM (Iran) predicts identical growth for 2016.

### **United States (World Bank estimate: 2.7%)**

## **2) GCP Members were asked about their opinion regarding levels of business confidence**

This year's survey shows that levels of business confidence in the respective regions of the GCP are on an overall scale higher than last year.

Despite the overall positive picture however, ASCAME and CCPIT have indicated that for the two major emerging regions, China and the Mediterranean, a negative outlook in terms of business confidence is expected for 2016, which correlates to their growth predictions being more pessimistic than those the World Bank for this year. In this regard, particularly China's economic development could remain a source of uncertainty for world growth, as signs for a non-negligible slowdown seem to be under way, as China's economy moves towards a consumption driven model.

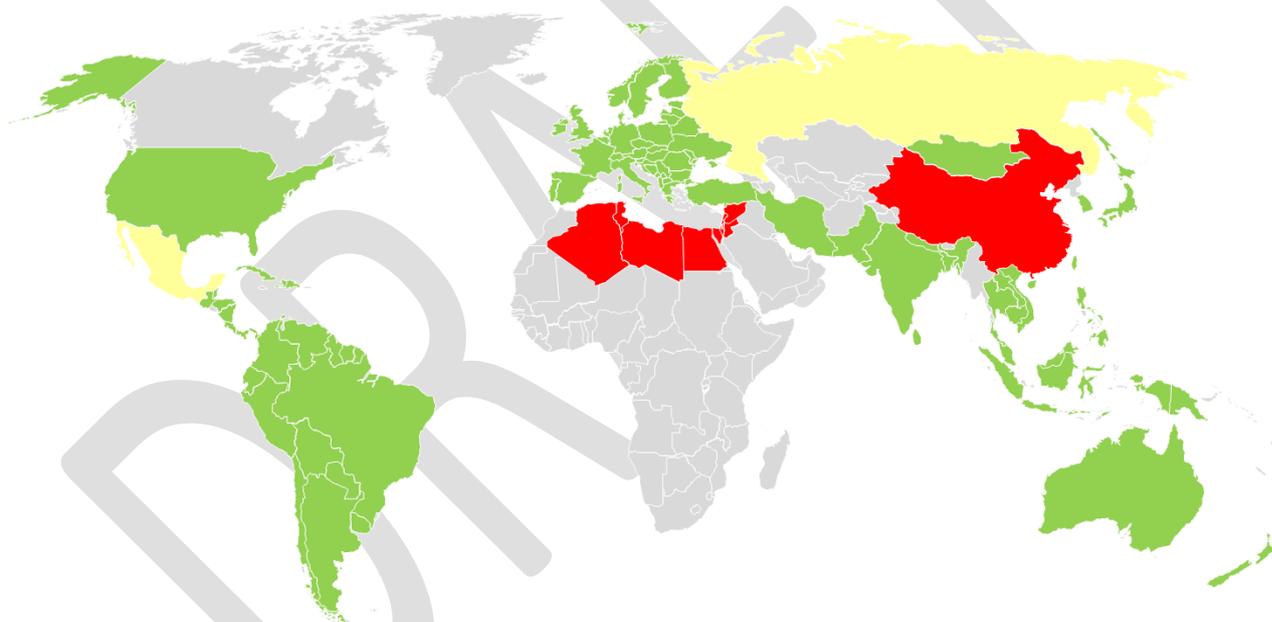
The picture is more optimistic for Latin America in 2016 according to AIIA, despite GDP predictions being lower than the WB expects for this year, with business confidence levels expected to pick up in 2016.

For the developed economies both GDP growth and business confidence point to an overall favourable business climate with confidence and growth returning.

In terms of a concrete breakdown of the GCP Members, five are expecting more favourable levels of business confidence: AILA, CACCI, EUROCHAMBRES, US Chamber and ICCIM, while another 2 Members are expecting levels of business confidence to be less favourable: CCPIT, ASCAME.

Concamin, TPPRF and TOBB indicated levels of business confidence to be constant for their respective regions: Latin American and the Caribbean, Turkey and Russia for the latter.

For Europe specifically, all participating Chambers indicated business confidence levels to be favourable next year.



*In accordance with responses received, green signals favourable business confidence, yellow for business confidence to remain constant and red for business confidence to be unfavourable in 2015.*

### **3) GCP Members were asked to indicate the key challenges for the global economy in 2016.**

#### The # 1 challenge: Political and Social insecurity

As last year, for the GCP the number one challenge stems primarily from geopolitical problems. The responses clearly show that current conflicts on the world stage cannot be put off as mere regional conflicts or its impacts confined to the area where they take place, but on the contrary, that they increasingly cast a shadow over global growth prospects. While the negative economic impact has so far been limited to the sub regional level, the

GCP results point to risks that lie in possible spill over effects of any regional conflict to the global level in the future. Potential transmission channels could include trade, commodity prices and financial asset prices.

### The # 2 challenge: Fiscal crisis in the major financial markets

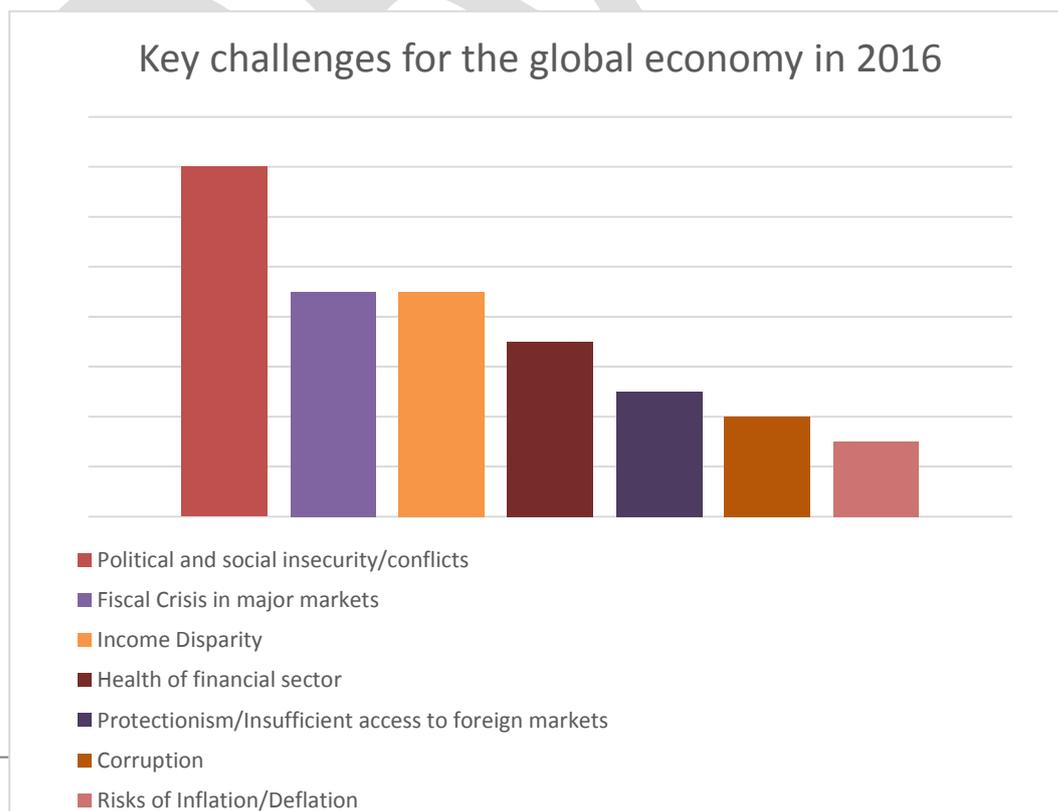
Last year, the health of the financial system, ranked as the second biggest challenge for the year ahead. This time it comes down to the fourth place and is over taken by the risk of fiscal crisis in major financial markets. Though, it is considered as a important challenge by AILA, EUROCHAMBRES and the US Chamber, this risk of crises is not seen by CCPIT as a challenge for 2016.

### # 3 challenge: Income disparity:

Income disparity is also seen as a major challenge for 2016, however opinion greatly diverge from those believing it being a major risk to the world economy, and other GCP Members believing that income inequality is not a priority concern. Those viewing income inequality as a major threat to growth are: Iran, TOBB, Concamin and ASCAME, while other GCP Members from major growth centres such as CCPIT, AILA, EUROCHAMBRES do not give the same importance to the topic.

While the degrees of the economic effects of income inequality are being steadily debated, studies by the OECD show that in advanced economies, the gap between the rich and poor is at its highest level in decade, while inequality trends have been more mixed in emerging markets and developing countries.

As to the effect of income inequality on growth a non-negligible body of evidence suggests that rising influence of the rich, and stagnant incomes of the poor and middle class have a causal effect on crises, and can thus influence short- and long-term growth.



#### **4) GCP Members were asked if the efforts undertaken so far to stabilize the financial system were not considered sufficient to prevent further crises.**

Last year 4 GCP Members considered that the action taken so far to stabilize the financial system were sufficient: CACCI, ASCAME, AILA, AICO. On the other hand and in terms of regional coverage, GCP members from Europe the Middle East, Russia and China remained wary regarding policy responses being able to secure financial stability.

This year's events seem to have casted a shadow on Members' perception of policies implemented so far. Indeed, no GCP Member considered measures undertaken so far as sufficient.

From the above it becomes apparent that trust from the GCP Members in the measures undertaken so far by policy makers to stabilize the financial system is fading significantly when compared to last year's answers.

Some members, namely ASCAME and Concamin are even of the opinion that "the regulatory action undertaken so far has proven misguided and excessive, and has not helped stabilize the financial system, with a more targeted approach being needed to financial regulation".

In this regard, as the IMF has pointed out in its Global Financial Stability report from April this year, that divergences in monetary policy paired with the appreciation of the US Dollar seem point to a shifting in financial risk taking and structural changes in credit markets, with the focus of financial stability risks shifting from advanced economies to emerging markets, from banks to shadow banks, and from solvency to market liquidity risks<sup>1</sup>.

#### **5) Members were asked what actions they would prioritize to improve global coordination and cooperation in financial market regulation.**

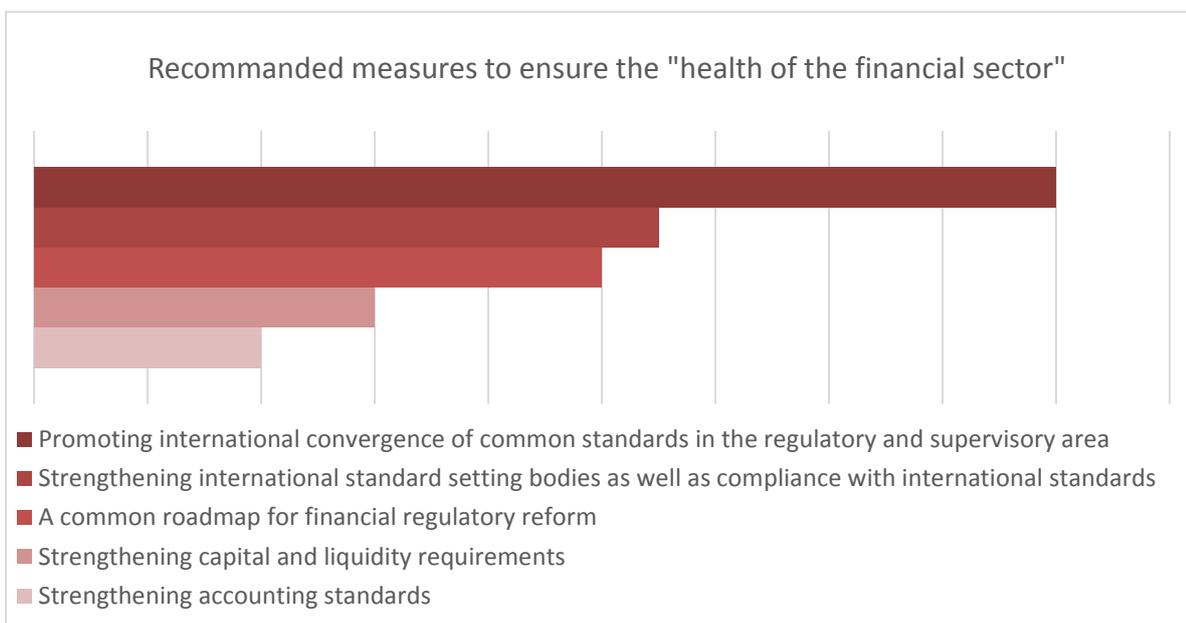
To rebuild trust in the financial sector and enable better crisis prevention, GCP members recommend as the main policy action to promote international convergence of common standards in the regulatory and supervisory area.

In addition they encourage the strengthening of international standard setting bodies as well as compliance with international standards, and the establishment of a common roadmap for financial regulatory reform.

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<sup>1</sup> <https://www.imf.org/external/pubs/ft/gfsr/2015/01/pdf/sum1.pdf>

For CACCI on the other hand, the prime focus should rather lie in strengthening accounting standards.



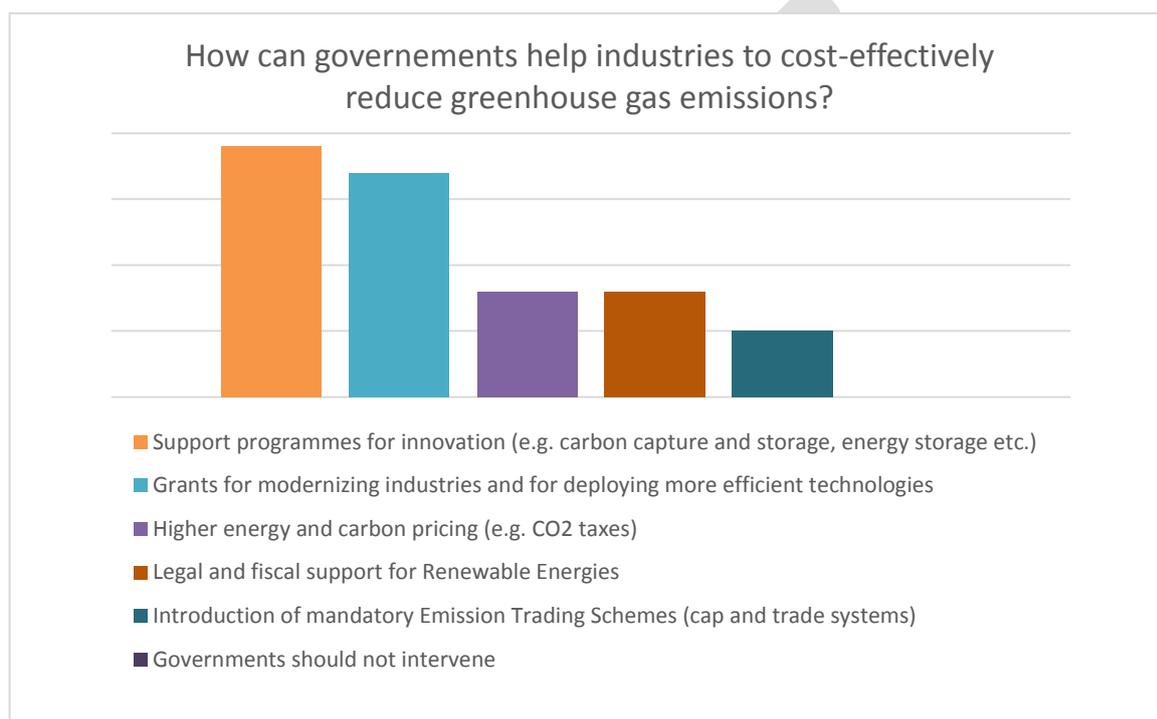
community has set itself in order to keep global warming below 2°C. Moreover, these three main priorities are directly in line with those advocated by EUROCHAMBRES.

The provision of sufficient financial support for developing and emerging countries, is considered critical by ICCIM (Iran) and a high priority for TOBB and CACCI, whereas the US Chamber puts a strong focus on climate change adaptation. COCAMIN would prefer longer timeframes for emission reductions.



## 7) GCP members were ask how governments can help industries to cost-effectively reduce greenhouse gas emissions?

GCP members consider support programmes for innovation (e.g. carbon capture and storage, energy storage etc.) as well as grants for modernizing industries and for deploying more efficient technologies as most effective instruments to cost-effectively reduce GHG emission. The importance of providing legal and fiscal support for Renewable Energies has also been highlighted by some members, particularly by those from regions which still have major untapped potentials in this regard (AILA and ASCAME). Only CACCI's and the US Chambers' positions diverge significantly from the rest of the members, favouring higher energy and carbon pricing.



### 8) GCP members were asked if developments in Europe with regards to the European Single Currency, has hampered their confidence in the EURO

Most GCP Members haven't seen their confidence in the euro hampered by the developments in Europe. However AILA, ASCAME and TOBB responded differently, acknowledging that recent development within the single currency, such as the fiscal crisis in Greece, has left traces and affected their confidence in the Euro.

On this question, the US Chamber noted that the issue of confidence should rather not be tied with the single currency, in which confidence remain high, but rather with the fiscal position (and posturing) of some of the Member States governments. In addition, an end to zero risk weighting of government bonds in banks' portfolios would contribute to strengthening the single currency system.

As an overall picture, despite some GCP Members seeing their confidence in the Euro hampered, especially those in the immediate proximity of the Eurozone, most GCP Members the confidence in the Euro remain unchanged, which can be seen as a positive message for the future of Europe's single currency.

**9) In the view of the previous question, members were asked if they think their answer would have direct impact in business dealings with the eurozone**

Here, GCP Members judged *unisono* that business dealing of companies in their respective regions will not be affected by developments in Europe to secure the stability of the single currency.

It is noteworthy that even those GCP Members that have seen their confidence in the Euro being hampered, are of the clear opinion that business dealings of their companies in the Euro area will not be affected in the near future.

This shows that at the level of individual businesses of the GCP members, confidence in the single currency is even higher, with no expected setbacks for business dealings in the Eurozone stemming from current intra Eurozone developments.

**10) GCP Members were asked what is in their opinion the best way to address the increase of trade restrictive measures in G20.**

In today's global economy, trade restrictive measures continue to be a serious obstacle to sustainable long term growth, as in world of global value chains and fragmented production processes, exports depend ever more on imports. Barriers to imports will thus inevitably be translated into higher costs for exporters.

In view of the problem at stake, GCP Members were asked for their opinions.

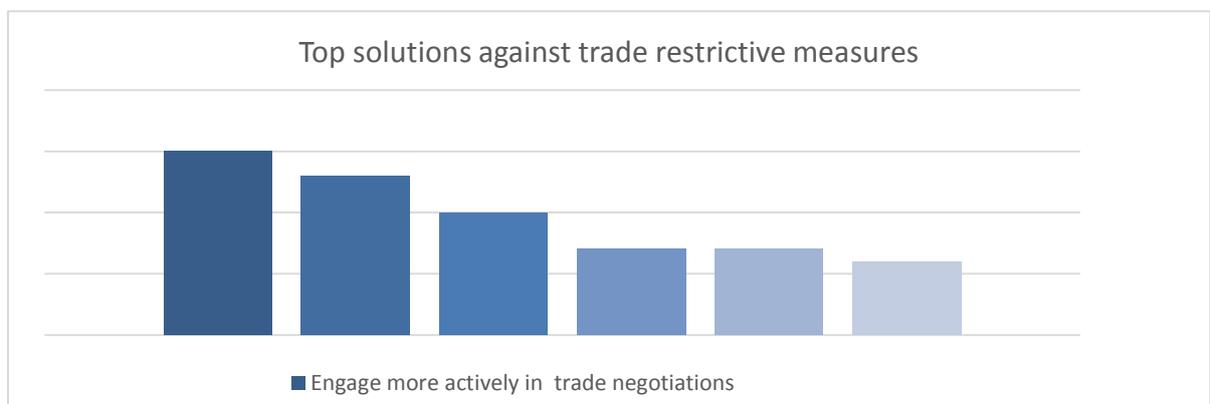
For the majority of GCP Members the most effective measure to address a rise in trade restrictive measures in the G20 is to liberalize markets through free trade negotiations at all possible levels, bilateral, regional or multilateral.

While GCP Members did not rank specifically the priority that should be attached to either negotiation fora/level, it seems to give a strong message that majority considers that neither bilateral or regional trade deals work to the detriment of global trade, but on the contrary that they are effective tools to bring down trade restrictions across the world-wide.

It is noteworthy in this regard that particularly for Europe and Russia (i.e. EUROCHAMBRES and TPPRF) active engagement in free trade negotiations is given particular emphasis, while TOBB and CACCI do not attach priority to this measure. In view of TOBB and CACCI's emphasis on international solutions, such as adoption of international standards and oversight, this seems to point to a degree of scepticism towards the effectiveness of bilateral and regional trade agreements in reducing trade barriers on a broader scale.

The second most favoured measure by the GCP to combat trade restrictiveness is to encourage adoption of international standards, pointing to the increasing role behind the border measures, especially in the regulatory field to international trade. While an international standard setting is preferred by many GCP Members, particularly EUROCHAMBRES, both CCPIT and the US Chamber do not regard it as a priority.

Moreover, GCP members also advise governments to ensure a better oversight and monitoring by international institutions, ranking third in terms of the overall priorities, which is particularly favoured by the US Chamber and TOBB.



While the further development of the concept of reciprocity in trade agreements has not received widespread support from GCP members, it is worth noting that GCP representatives from Latin America, view this as a core priority in addressing trade restiveness in the G20.

**11) GCP members were asked about the involvement of business stakeholders in the regulatory process in their region.**

**A.** Mixed feedback on the involvement of business in the regulatory processes, point to improvement in better regulations agendas.

It appears difficult to draw any global conclusions on the level of involvement of business stakeholders when it comes to developing new policies. Answers ranges from being consulted on an ad-hoc basis (TOBB, CCPIT, CONCAMIN), to being often consulted (AILA, ICCIM, CACCI, EUROCHAMBRES). Only a few members (ASCAME, TPPRF and the US Chamber), indicated that business stakeholders are always consulted in their region in the making of new policies.

**B.** Certain degree of dissatisfaction with the way individual companies can make an impact in the regulatory process among GCP.

Larger number of GCP members seem unsatisfied with the way businesses can make an impact in the regulatory process and the way in which the way theyr are involved. Suggestions for improvement stem for instance from CCPIT which would like to see a better development of the Chamber of Commerce network with more emphasis on collecting the views of the business community and channelling them to policy makers. EUROCHAMBRES also sees room for improvement by expanding the time that is given to businesses to participate in the regulatory process and improvement the flow of information. TOBB on the other hand suggests to create more permanent and formal dialogues structure between government and the business community.

TPPRF, CONCAMIN, CACCI and the US Chamber consider the level of involvement of the business community in their regulatory processes as satisfactory.

**C.** Deficiencies in terms of SME being systematically consulted in the making of new policies among GCP Membership.

The majority of GCP Members does not consider SME's being regularly consulted in the development of new policies.

Only, TPPRF, and the US Chamber see SMEs consulted systematically in the making of new policies, yet acknowledging in the case of the US chamber that practical challenges remain for SME's to stay abreast with regulatory developments,

From the above it becomes clear that the involvement of SMEs and business stakeholders at large in the regulatory process is fragmented and broadly differs from one region to another, even in integrated region themselves, such as the European Union.

While answers differ among the regions with some GCP members being more satisfied with the involvement of the business community than others, the lack of a common set of good regulatory practices among the leading economies becomes apparent. Particularly with regards to SME involvement in regulatory process important deficiencies remain among the GCP and should be tackled by policy makers for a more effective inclusion of all business actors in the regulatory process.

### **12) Members were asked if they agree with the introduction of a dedicated SME Chapter in WTO Agreements.**

With an increasing focus on better integrating SME's in global and regional trade across many of the world regions, in particular in Europe and the United States where for the first time in the TTIP a dedicated chapter for SME's will be included, GCP Members were asked whether a multilateral initiative for SME's would be welcomed.

In this regard, all GCP members expressed a favourable opinion for an introduction of an initiative in the WTO that would aim at helping SME's better integrate into global trade.

This is a very positive signal as the ability of SMEs to participate in global value chains (GVCs) can yield substantial benefits, including spill-overs of production technology and managerial know-how. Their insertion into GVCs is especially important in the developing world, where these firms represent approximately 80-90% of total employment.

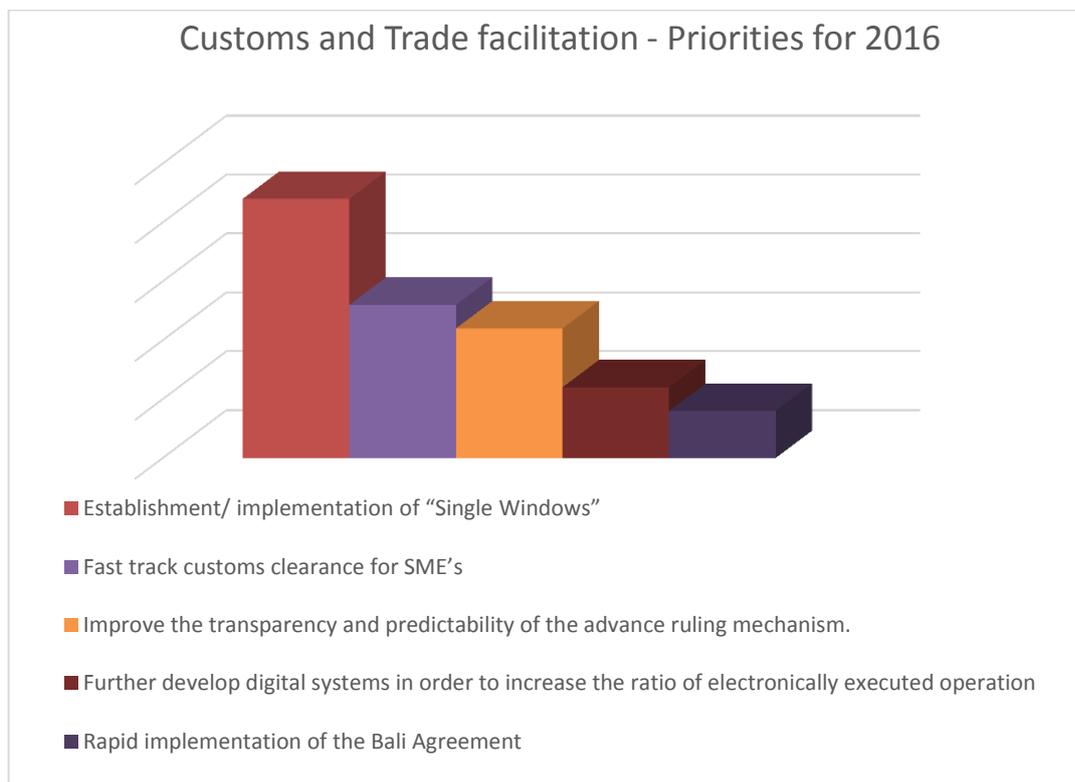
The US Chamber additionally suggest that in order to help SMEs in developing countries a greater emphasis for SME initiatives could be placed on UNIDO and UNCTAD, as well as on the Chambers of Commerce. SME development policies, including supplier-development programs and other forms of collaboration with foreign-invested firms, could promote such positive linkages.

### **13) GCP members were asked to rank different proposed solutions for their governments to take in the field on Customs and Trade facilitation for 2016**

Based the answers of GCP Members from the previous year in which they highlighted the customs and trade facilitation as one of the main priorities to advance further on the global stage, potentially taking as a benchmark the TTIP, GCP Members were asked on specific issues which should be prioritized by the governments in their respective region.

In that regard, by far the establishment of “Single windows” is seen as the prime priority for 2016 which GCP Members recommend their governments to undertake in the field of customs and trade facilitation, which will governments to simplify and enhance the flow of information relating to international trade.

GCP Members also considered the implementation of fast track customs clearance for Small and Medium sized Enterprises (SMEs), with notable exception of TOBB and improved the transparency and predictability of the advance ruling mechanism, as two additional main priorities that must be taken into by their respective governments in 2016.



**14) Members were asked to rank the biggest obstacles for SME internationalisation in their country/region.**

This year GCP Members ranked the identification of foreign business opportunities as the top obstacle for SME internationalization in their region. This shows that despite noteworthy efforts at national and regional level, much remains to be done to reduce information gaps, even in today’s world of extensive information availability for SMEs.

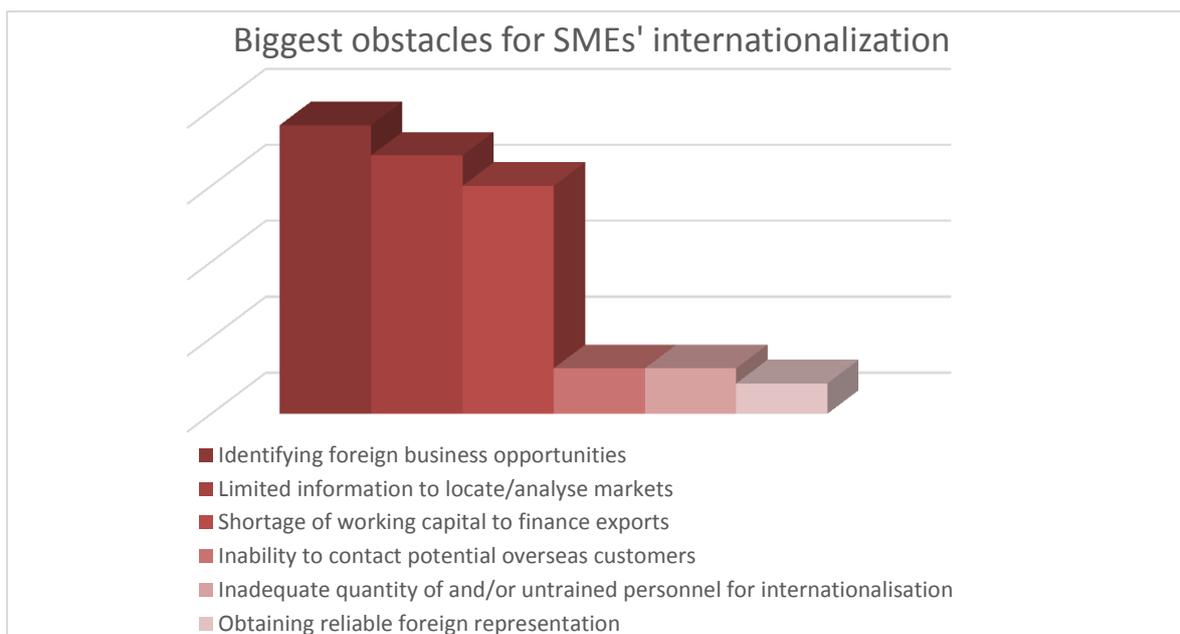
With the same ranking as last year, GCP Members saw the shortage of working capital to finance exports as the second most important barrier for SME’s to internationalize. With their answer GCP Members seem to acknowledge that little progress has been made over the past years in bettering financial access for SME’s, exemplified by the fact that new lending by banks to SME’s has fallen substantially in many countries, including the developed world, since the start of the financial crisis.

In this regard, efforts by governments to diversify the sources of financing for SME’s, by for instance broadening their access to alternative financing, such as crowd funding or peer to peer lending platforms, as well as improving the reliability of information on SME’s financial performance could be meaningful steps to improve access to capital for SMEs.

As the third most important challenge for SME internationalization, GCP Members ranked the limited availability of information to locate and analyse markets.

The first and third priorities pointed about by GCP Members go hand-in-hand, and demonstrate that a key to increase the internationalization of SMEs is reducing the knowledge gap in terms of both a better identification of obstacles to penetrate foreign markets and a better identification of business partners.

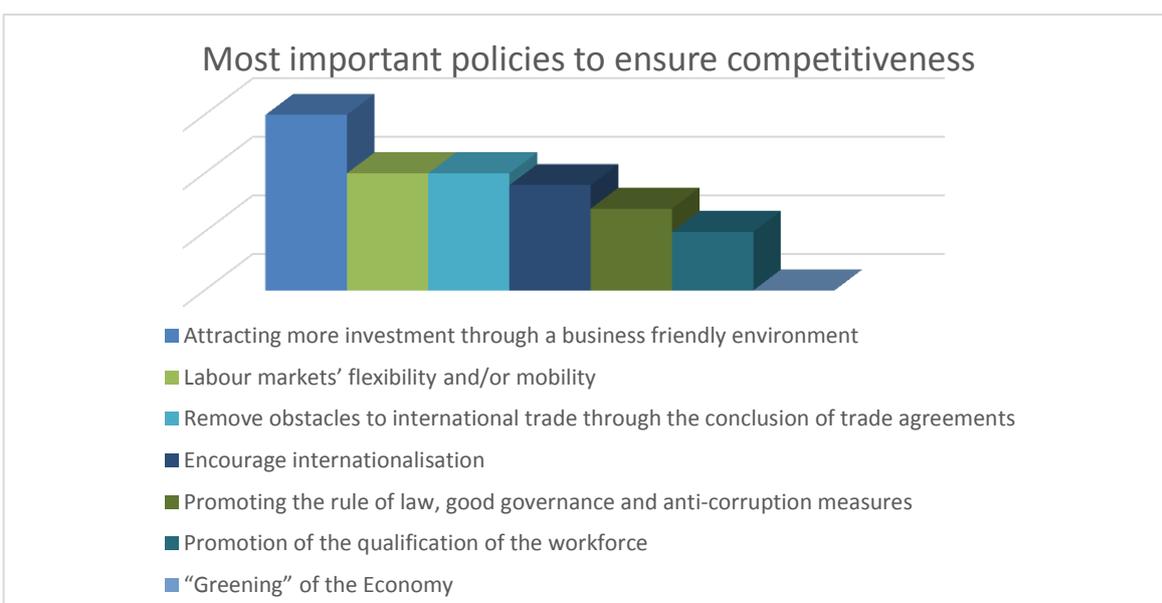
One possible way to overcome such obstacles could be the systematic negotiation of SME Chapters in bilateral trade agreements or in a multilateral setting as favoured by the GCP, possibly taking as reference efforts undertaken in Europe.



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

Overall, GCP Members ranked the three most important policies to be attracting more investment through a business friendly environment (yet considered the least important measure to be pursued by Russia), flexibility of the labour markets and removing obstacles through the effective negotiations of trade agreements.

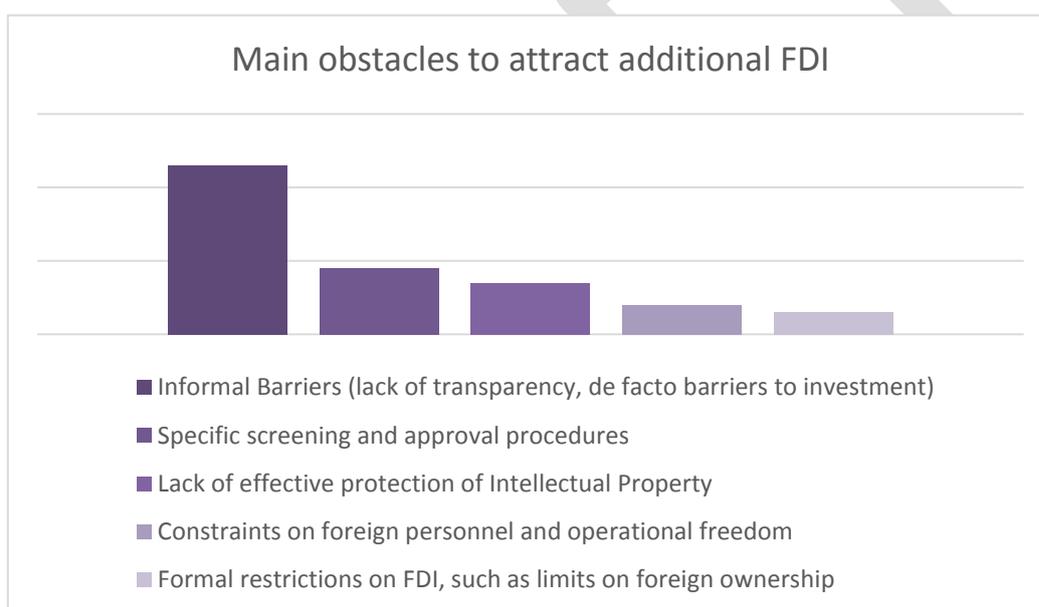
For ICCIM, the most important policy to be pursued by the Iranian government to enhance competitiveness should be the promotion of the qualification of the workforce, while for GCP representatives from Latin America and Turkey the promotion of good governance, the rule of law and anti-corruption should be top priorities for their governments.



## 16) GCP Members what they see as the main obstacles for more Foreign Direct Investment (FDI) coming into your country/region

A key ingredient for economic strength is business investment. However cross-border investment in particular has been negatively affected with global flows of foreign direct investment remaining at around 40% below-pre-crisis levels last year they even fell by 2%.

In this context, GCP Members have been asked on their opinion of the most important obstacles for FDI to their region.



By far, GCP members consider informal barriers, such as the lack of transparency and de facto barriers as the main obstacle to attract additional FD in their region. The lack of effective protection of Intellectual Property, as well as the specific screening and approval procedures are also important obstacles mentioned by GCP members.

In CCPIT's (China) and TPPRF's (Russia) views, the lack of effective protection of IP is not a priority, or even the least priority for the latter.

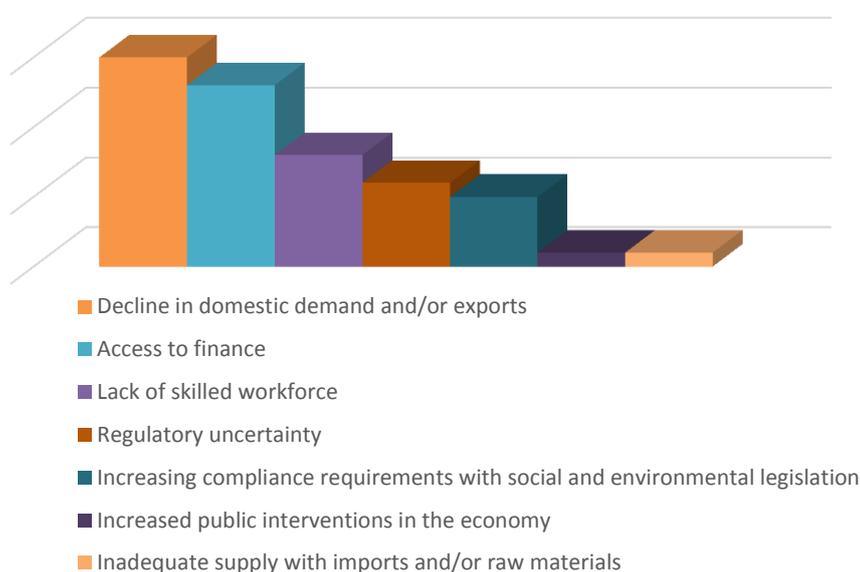
## 17) GCP members were asked the rank problems the companies in their region are facing in their day-to-day business.

For four consecutive years, GCP Members have ranked access to finance and investment and the decline in domestic demand/and or exports among the top three problems which companies in their region face. In addition, the lack of skilled workforce has made it into the top three most pressing problems for companies this year.

For the US Chamber however regulatory uncertainty is the most pressing issue for US companies today, while AILA judges the increasing compliance requirements with social and environmental legislation as the most serious problem for Latin American entrepreneurs.

Additionally, TPPRF and ASCAME pointed to political conflicts as noteworthy problems for their companies, while ICCIM reckoned with the inaccessibility to international finance and markets as major problem for Iranian companies.

### Top problems companies face on a day-to-day business



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