

**Commonwealth Business Forum 2009
Port of Spain, Trinidad and Tobago**

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Partnering for a More Equitable and Sustainable Future: The Commonwealth and the Americas:

**Communiqué and Report to Heads of Government
(CHOGM)**

I am delighted to give the closing address to this Forum. I will try to summarise, on your behalf, the outcomes of CBF for Heads of Government.

The last year has tested people's confidence in the ability of free markets to support development. There has been a great deal of dislocation to billions of people, but especially those who can least afford it. The lesson of this is not that markets cannot deliver sustainable growth. In fact, market systems have achieved historic results, lifting half a billion people out of poverty in the last two decades. Globalisation and market-driven development are firmly entrenched, and no society can prosper without a thriving private sector. There is no turning back.

What we have learned is that sustainable growth requires a positive and synergistic relationship between markets and people. Last year saw the balance of risk tip far too far towards behaviour which undermined markets and the wider public interest.

The most celebrated icon of balance is the scales of justice, an ideal of rules underpinned by fairness and values. The global economic system needs to be governed not just by better rules, but ethics too. That, of course, is at the core of the Commonwealth ideal. It was striking how many of the corporate leaders here spoke about how their business strategy is founded on respect for communities and workforce, developing strategies with governments and generating long term value.

This is the most effective way to do business, and something we all need to reflect on as we move to the next phase of globalisation, in which the economic centre of gravity will shift further towards emerging markets. Reshaping global systems, managing risk and encouraging new growth need to fully take on board that the corporate world has already adjusted its mindset to think G20 and beyond.

As Professor Stiglitz put it, we need first and foremost to be clear about what kind of financial and global economic system we want if we are to manage it well.

This values-based approach is critical if we are to make the most of the return to economic growth which is in sight, as we refocus on fundamental challenges to the global community – widespread poverty and inequality, climate change, pressure on natural resources, and conflict.

Our Forum themes addressed how we as business – in partnership with governments - can help address these grave issues and create a better life for future generations.

The level of interaction between business, government and civil society has grown dramatically with globalisation, and itself helped spread democracy. The dynamic between business and society in general is changing; we know that solutions to our biggest challenges have to be collective.

Energy and climate change illustrate this well. No single technology, policy or approach can deliver the energy required to sustain global growth and reduce CO2 emissions. Reliance on hydrocarbons for the next generation is inevitable, but there are many ways to manage production, distribution and consumption to successfully address the energy/climate change challenge.

The private sector and governments have to work together to use the power of the market to support development and deployment of new technologies, and to change consumer behaviour. Governments have the key role of creating the right framework which mobilises ingenuity and efficiency in business. That model applies in so many other sectors from agriculture to infrastructure, health to manufacturing, where governments should work to increase Public Private Partnerships (PPPs).

The Commonwealth is a potentially unique player in the next phase of globalisation. It is the home of some of the best technologies and business models for tackling the key issues we have discussed: energy management, SME development, ICT, improving good governance, access to finance - to mention a few.

Because of our shared language and approaches, it is perhaps better placed than any other global body to help fast track exchange of these good policies, business models and technologies for development.

A priority for this Forum, and for the CBC over the next decade, has to be to help deliver this potential. We hope that Heads of Government will engage actively with CBC to attain this. It requires more investment to support this exchange of ideas and skills and CBC needs help from all of you to do this.

This Forum illustrates that the potential is scarcely tapped: a large majority of the international business delegates to Trinidad and Tobago have never engaged with the Caribbean before.

Let me now turn to six headline recommendations from the Forum which we would like Heads of Government to consider:

1. Climate change: We urge Heads of Government to press for agreement at the Copenhagen Agreement which includes pricing emissions of carbon. This will incentivise the private sector to develop and deploy new technologies and more efficient energy production and consumption, which can also help stimulate growth. As business leaders we understand the threat which climate change poses to future generations. We are ready to play an active role in helping address it. Time is pressing.

2. Trade and Markets: We appreciate that political leaders have tried hard to resist pressures to adopt protectionist policies as a response to the recession. However, there is evidence that resolve has sometimes weakened and the danger of backsliding is always present. The return to growth and confidence will be speeded up and boosted by agreement of the Doha Round and we urge Heads of Government to recommit to this.

More generally, the move to create single markets across the Commonwealth remains fundamental to attracting investment. Improving free movement of goods and also people is important, for example in

growth sectors such as tourism where complex visa procedures can be a problem. Globalisation has created possibilities for countries to specialise in niche areas which are large global business opportunities, but often close cooperation between government and business is needed to realise this.

3. Broadly-based economic development: SMEs are the economic lifeblood of successful economies. Governments need to give greater priority to creating the right enabling environment, bringing the informal sector into the formal economy, and encouraging job creation, especially for young people. Companies and banks are developing new models to support SME and supply chain development. Best practice in this area can be developed through participation in the Business Call to Action in support of the United Nations Millennium Development Goals, and we encourage companies to participate in this initiative. There is a big responsibility on multinational companies to support SMEs within their geographic footprint.

4. Skills and Education: Education is required for growth, and a key knowledge deficit is in science, technology and engineering. Commonwealth institutions have a great deal to offer. The priority accorded to tertiary level education and skill development by Trinidad and Tobago is a good example of the kind of national leadership required.

5. Infrastructure is a key enabler of growth, and both physical and social infrastructure requires a long view, and can be undermined by short term pressures. Major physical infrastructure development can transform growth prospects, and many successful examples of public private partnerships exist. Given the current financial constraints facing governments worldwide, new models to underpin financing will be required.

6. Good ethical standards and transparency in the economy are morally right, and also promote investment and efficient use of resources. We support the CBC initiative Business Action Against Corruption and urge all governments and national private sectors to work to improve corporate governance and transparency in political party funding, and strengthen defences against corrupt practices.

An improving investment climate requires simpler and more transparent laws and regulations – this helps both reducing the scope for corruption, and improving competitiveness by reducing the costs of doing business. The Extractive Industries Transparency Initiative is an excellent model and we urge its adoption for all resources industries.

In all of the above areas, one business concern is that a significant problem is often not inadequate policy, but its weak implementation by governments.

The hosting of the Forum in the Caribbean, here in Trinidad and Tobago, has provided an opportunity to develop the natural position of the region as a facilitator for linkages between Commonwealth and American countries. New trade and business opportunities between the Commonwealth and the Americas illustrate the potential of new partnerships within a globalised economy.

In numbers, this Commonwealth Business Forum participation was our best ever: over 1,000 business and government leaders from 50 plus countries. We were privileged to have discussions with ten Heads of Government and forty Ministers. Over thirty substantive sessions were held on the issues of the day, each generating recommendations and ideas for government and business. All the sessions have been

summarised and will be online, and all plenary presentations will be streamed live on the CBC website next week.

On your behalf I would like to thank our more than 150 speakers and chairs of sessions, and once again express sincere thanks to the Prime Minister and Government of Trinidad and Tobago for their support in hosting the meeting. I should also like to express our appreciation to each of the organisations whose sponsorship made the Forum possible.