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JOINT STATEMENT BY AMERICAN AND EUROPEAN BUSINESS LEADERS

I. THE INTENSITY AND COMPLEXITY OF THE CURRENT FINANCIAL SITUATION POSE A MAJOR CHALLENGE TO THE GLOBAL ECONOMY.

There is now evidence that the financial upheaval is spreading to the wider economy.

The business community strongly supports the different emergency action plans announced by the EU 27 and the European and US governments in order to ensure the stability of the financial and banking systems and to guarantee, for the sake of a sound economy, a smooth supply of credit for companies and households. They welcome the coordinated decision taken by seven central banks to cut reference interest rates, and look forward for further action when possible.

In these exceptional circumstances Emma Marcegaglia, President of Confindustria, Laurence Parisot, President of the MEDEF, Jürgen Thumann, President of BDI, Richard Lambert, Director General of the CBI, Donald J. Shepard, Chairman of the Board of Directors, United States Chamber of Commerce and Ernest-Antoine Seillière, President of BUSINESSEUROPE have decided to meet in Paris to analyse and assess the consequences of a situation which affects all our companies and all our countries and to prepare the business community input for international action.

Together we are firmly committed to making joint proposals and encouraging coordinated solutions calculated to bring about a swift return to growth and job creation.

II. WHAT WE EXPECT NOW :

- **From political and institutional leaders**
 - That they maintain a closer and durable coordination of their efforts in the way they have done in the most recent EU Council and in the Financial G7, as well as at central bank level.
 - This degree of coordination should be extended to include other major countries
 - That they speed up the implementation of the reforms necessary for a return to stability and the normal operation of the financial markets
 - That they bring to bear the economic policies required by this unprecedented situation. The effort on the part of governments to reduce the impact of the financial crisis must be accompanied by an equal effort to restructure public expenditure in order to avoid any new tax burden for our companies and, when possible, to reduce their tax burden.
 - That they reject protectionist measures and prolonged state intervention above and beyond what current circumstances require. This would delay the return of confidence and hold back the economic recovery.

- That their interventions not jeopardize the conditions of business competition

- **From the financial and banking systems**

That they play to the full their role in providing a smooth supply of credit for economies and companies of whatever size. There has been strong support both from central banks and from government in recapitalizing the banking system where needed and in providing adequate liquidity to the financial sector as a whole. The decisions have yet to have their full effect. Banks need to do every thing they can to support credit distribution to companies. However this also implies that the adaptation of prudential rules for both banks and insurance companies needs to be done very smoothly and carefully in order to avoid negative effects for the financing of the economy. It should encourage financial institutions from long term investments into companies.

III. WHAT WE UNDERTAKE TO DO

- **To mobilise our companies to cope with the crisis.**

- To act as corporate citizens, implying among other things, to do what we can to support our supply chain, especially to small and medium size enterprises. We undertake to make our employees fully informed about developing business conditions. We recognize our real interest in the well being of the communities in which we operate.
- We strongly believe in the growth potential of the world economy. Return to normal financial mechanisms will increase private enterprises willingness to create jobs, to invest, to innovate, to exchange. They are aware of their role in the recovery process and are willing to fulfill it.

- **To work together in order to:**

- Prepare business position for future international debates.
- Exchange information and ideas as the financial situation evolves and its impact on the economy.

- **To established a task force to prepare joint proposals focusing at:**

- cross-border supervision
- rating agencies
- transparency
- review of accounting standards
- corporate governance

IV. WHAT WE BELIEVE IN

- Private enterprise is the engine of the economy and will drive the recovery process. High ethical standards, risk and initiative taking, responsibility, accountability, sustainability are all essential values.
- The governments have efficiently fulfilled their role in implementing vital and necessary measures needed for restoring the normal functions of financial markets. However governments must only be temporary participants in financial market. Only the free market economy can facilitate exchange of goods, services and ideas and thus provide long lasting prosperity. This implies a market that is regulated but not constrained.



In these uncertain times, political, business and media leaders have a special responsibility for providing the public with all the necessary objective information to understand the current situation.

Despite the serious concern about this situation, we are convinced that an upturn in our economies will happen, provided countries put aside protectionist measures and cooperate with each other in compliance with the fundamental principles of the free-market economy.