



B2012  
LOS CABOS  
MÉXICO

the  
best of the

**B20**

June 2012

**CONCRETE RESULTS  
FROM  
LOS CABOS**

# Message from

# CHAIR OF

# B20 MEXICO,

## Alejandro Ramírez

On June 17 and 18, the B20 Business Summit took place in Los Cabos, Mexico. On behalf of the Organizing Committee, I am delighted to report that we accomplished the goals that we envisioned for this summit. First, it brought together important representatives from the international business community to discuss global problems and analyze ways to tackle them; second, it gathered heads of state, who welcomed the efforts of the business community to work together towards a shared goal; and finally, a significant proportion of the recommendations and proposals generated by the B20 had a direct impact on public policy by shaping the G20 Final Communiqué.

This is the fourth year of the B20, which began in Toronto in 2010 and was subsequently held in Seoul (2010) and Cannes (2011). Each successive summit has played an increasingly constructive and meaningful role in the G20 process. The B20 Organizing Committee for Los Cabos 2012 began working in November 2012. Along with two of the most important business associations, COMCE and COPARMEX, we built a strong team committed both to strengthening the B20's influence on public policy and ensuring continuity of previous work. The World Economic Forum, the International Chamber of Commerce, and McKinsey & Company were B20 strategic partners for the third year in a row, providing complementary skills and perspectives. In addition, the process was enriched this year by the active involvement of the OECD, which provided invaluable insight and participated actively in all task forces, and Fundación IDEA from Mexico, which provided support as the technical secretariat. The Government of Mexico

showed an impressive commitment to the initiative, evidenced by the in-depth involvement of President Calderón in the summit and its activities.

The B20 Task Force Recommendations are the result of truly global collaboration. Over 150 business leaders and experts from more than 25 countries worked closely together for over four months to develop practical solutions to critical global challenges such as Food Security, Green Growth, Employment, Improving Transparency and Eliminating Corruption, Trade and Investment, ICTs and Innovation, and Financing for Growth and Development. Participant CEOs and their committed staff developed action plans that began by asking "What should business do?", before looking at what the role of the governments should be.

The preparatory work prior to the Los Cabos B20 meeting was essential for its success, and the Mexican Organizing Committee implemented a number of important innovations:

- Broader multi-stakeholder perspectives – We included global experts and key members of civil society as full members in our task forces.
- Close links with the G20 process – We briefed the G20 sherpas on a regular basis and invited government liaisons to each task force.
- Timeliness – We developed detailed recommendations two months before the G20 meeting at Los Cabos.
- Optimal focus – We reviewed draft recommendations with President Calderón, as the President of the G20, in Puerto Vallarta in April of 2012. The B20 also participated in the G20 Ministerial Meet-



Alejandro Ramirez, Chair of the B20 Organizing Committee & CEO of Cinepolis

ings for Trade, Agriculture and Labor, the G20’s Development and Anti-Corruption Working Groups, and other workshops and *fora*.

- Continuity and impact – We developed a breakthrough “Advocacy and Impact Task Force”, in addition to our seven core thematic task forces, to ensure that the recommendations resonated across countries and could be carried forward from one year to the next. This group led the way for the rest of the thematic task forces by prioritizing recommendations and defining the activities required for their implementation, and will continue to work for the rest of 2012 to keep track of progress and ensure a smooth handover to the Russian B20 Organizing Committee.

The B20 Summit at Los Cabos gathered over 400 business leaders and 20 business associations from 37 countries around the world. Heads of State from eight countries attended the event, participated in Taskforce Sessions and gave keynote addresses to the audience. Also, on Tuesday, June 19, we held the first meeting between the G20 and the B20, with the participation of 16 heads of state and one representative of each B20 task force. During this session, we were able to discuss priority recommendations to G20 leaders and engage in a very constructive dialogue. One of the most significant measures of success has been that the G20 explicitly referred to the work of the B20 five times in its final communique (up from two times last year). Over 70% of the recommendations generated by the taskforces coincide with G20 priorities.

This report presents the B20’s main results and describes the work performed by the taskforces. It also summarizes the Taskforce and Panel sessions, the B20-L20 meeting and the breakfast with Heads of State, held at Los Cabos. This document complements the “B20 Taskforce Recommendations” and provides a summary of the event. I hope you find this information useful, and I welcome your thoughts and ideas on the process for evaluating the implementation of B20 recommendations

**Alejandro Ramirez Magaña**

CHAIR OF THE B20 ORGANIZING COMMITTEE

# MAIN RESULTS



Felipe Calderon, President of Mexico, Inaugurates the B20.

Also present in the podium: Valentin Diez Morodo, President of COMCE; Jose Angel Gurria, Secretary General of the OECD; Robert Greenhill, Chief Business Officer and Managing Director at the World Economic Forum; Alejandro Ramirez, Chair of the B20 Organizing Committee & CEO of Cinepolis; Bruno Ferrari, Secretary of the Economy; Jean-Guy Carrier, Secretary General of the International Chamber of Commerce; Alberto Espinosa, President of COPARMEX; Dominic Barton, Managing Director of McKinsey & Co

## Objectives

The main objectives of the B20 process were:

- To stimulate constructive dialogue on critical global challenges among the private sector, G20 government leaders and international organizations.
- To formulate public policy recommendations on ways to tackle these challenges.
- To give continuity to these recommendations and achieve action by G20 governments.

The B20 summit gathered 400 business leaders from 37 countries. The purpose of the forum was to present the recommendations generated by seven thematic taskforces, in addition to the advocacy and impact taskforce. Eight government leaders participated at the summit, with the heads of state of Turkey, Mexico, Chile and Benin participating in a taskforce session, and those of Indonesia, Australia, Great Britain and the Republic of Korea participating in a plenary keynote speech.

In addition, the following heads of international organizations participated in the B20 summit: the OECD, the International Monetary Fund (IMF), the World Bank, the World Trade Organization (WTO), the International Finance Corporation (IFC), the International Labor Organization (ILO), the Inter-American Development Bank (IADB) and the Food and Agriculture Organization (FAO). The active participation of these public figures contributed to strengthening the reach and impact of B20 recommendations.

Representing the international business community, 20 international business chambers actively participated at the summit. Finally, eight Mexican Federal Ministers actively participated at the B20, demonstrating the commitment of

Mexico to its role as President of the G20, and its outreach efforts with the business community.

In order to achieve a high number of recommendations included in the G20 declaration\*, the B20 organizing committee undertook the following:

- Ensured constant communication with the Mexican government
- Held meetings with key government officials, presented them with preliminary recommendations and incorporated their feedback into B20 work
- Delivered the recommendations in a timely manner, two months in advance of the G20 summit
- Focused the B20's work on fewer themes, and prioritized recommendations with concrete actions

The B20 generated a total of 35 concrete recommendations for the G20. Quite significantly, 26 of the recommendations were included in the final declaration of the G20 (approx. 70%), and there are five explicit references to the B20's work. This represents an increase in the number of recommendations included in the G20 declaration\* compared to the previous year.

### Number of B20 recommendations included in G20 Declaration\*

TASKFORCE	NUMBER OF B20 RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS INCLUDED IN G20 DECLARATION*	PERCENTAGE
FOOD SECURITY	4	4	100%
GREEN GROWTH	6	5	83%
EMPLOYMENT	5	5	100%
ANTI-CORRUPTION	5	3	33%
TRADE & INVESTMENT	6	3	50%
ICT & INNOVATION	5	3	60%
FINANCING FOR GROWTH AND DEVELOPMENT	5	4	80%

Source: McKinsey & Co. analysis  
 Table with detail of B20 recommendations included in G20 Declaration\* can be found in Annex 1

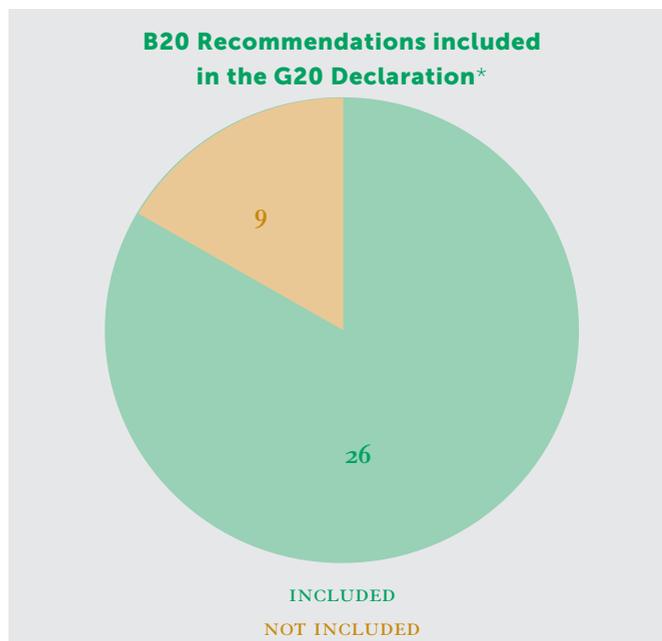
Qorvis, the firm in charge of international media affairs for the B20, estimates that in the days following the B20 summit, articles covering the event in international media were circulated in over 110 million print editions. Also, the B20 website had 23,491 visits, of which 20,241 were after June 1.

\* G20 Final Declaration can be found in the USB drive attached to this document

# The B20 in numbers

- 400 global CEOs and Chairmen participated in the summit:
  - 37 countries represented
  - 20 business chambers
- 8 government leaders participated at the B20 summit:
  - Australia
  - Benin
  - Chile
  - Republic of Korea
  - Indonesia
  - Mexico
  - United Kingdom
  - Turkey
- 8 international organizations:
  - The Organization for Economic Co-operation and Development
  - World Trade Organization
  - International Monetary Fund
  - The World Bank
  - The Inter-American Development Fund
  - Food and Agriculture Organization
  - The International Finance Corporation
  - The International Labor Organization

- 16 co-chairs led discussions
- 70% of the B20 recommendations were included in the G20 Declaration\*

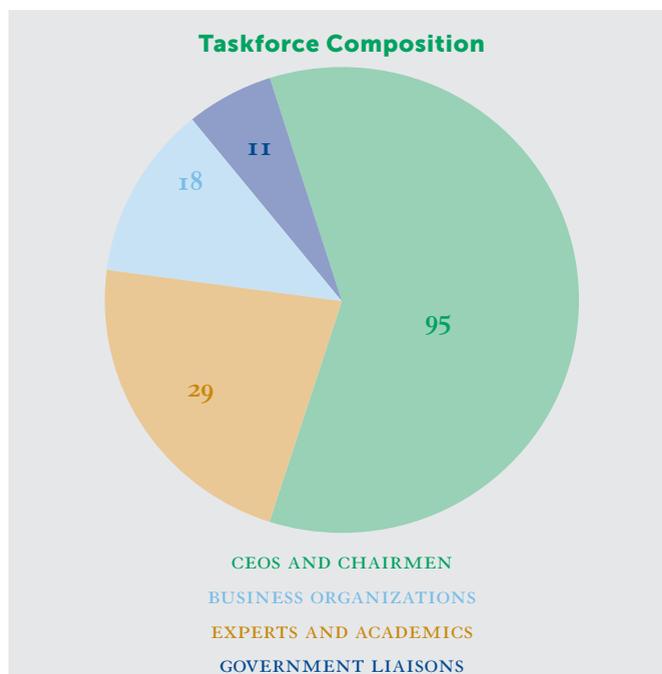


Source: McKinsey and Co. analysis

- 153 Taskforce members from 27 countries generated the B20 recommendations



Source: B20 Organizing Committee



Source: B20 Organizing Committee

- 8 Taskforces generated recommendations:
  - 7 thematic taskforces, in addition to an Advocacy and Impact taskforce

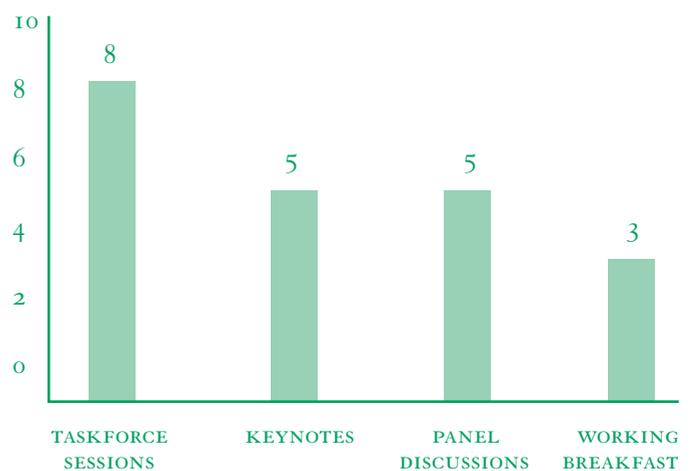
\* G20 Final Declaration can be found in the USB drive attached to this document



President Felipe Calderon, Members of his Cabinet, the B20 Organizing Committee and Taskforce Chairs: Fulvio Conti, CEO of Enel S.p.A.; Dominic Barton, Managing Director of McKinsey & Co.; Robert Greenhill, Chief Business Officer and Managing Director at the World Economic Forum; Jose Antonio Meade, Secretary of Finance and Public Credit; Valentin Diez Morodo, President of COMCE; Bruno Ferrari, Secretary of the Economy; Felipe Calderon, President of Mexico; Alejandro Ramirez, Chair of the B20 Organizing Committee & CEO of Cinopolis; Patricia Espinosa, Secretary of Foreign Affairs; Alberto Espinosa, President of COPARMEX; Jean-Guy Carrier, Secretary General of the International Chamber of Commerce; Francisco Javier Mayorga, Secretary of Agriculture, Livestock, Rural Development, Fisheries and Food; Jeffrey Joerres, CEO & Chairman of ManpowerGroup; Martin Senn, CEO of Zurich Insurance Group; Paul Polman, CEO of Unilever; Dan Reed, Corporate Vicepresident of Technology Policy of Microsoft; Carlos Slim Domit, Chairman of Grupo Carso; Kris Gopalakrishnan, Chairman of Infosys Ltd.; Guillermo Ortiz, CEO of Banorte; David T. Seaton, CEO of Flour Corporation; Daniel Sertvije, CEO of Bimbo Group; Victor K. Fung, Chairman of Li & Fung Ltd.; Pablo Gonzalez, CEO of Kimberly-Clark Mexico; Peter Sands, CEO of The Standard Chartered Bank; Ditlev Engel, CEO of Vestas A/S.

### B20 Activities

- 8 interactions between the B20 and the G20 prior to the June summits
- 2 meetings with President Calderon, Chair of the G20, prior to the June summits
- The B20 summit produced a series of taskforces sessions, keynote speeches, panel discussions and working breakfasts in order to advance the point of view of the global business community



Source: B20 Organizing Committee

# TASKFORCE SESSIONS TAKEAWAYS<sup>1</sup>

1. Source: Zymat Consultores

## Food Security

...

Co-chaired by Daniel Servitje (Bimbo) and Paul Polman (Unilever)

The B20 Task Force on Food Security worked intensively to prepare an integrated set of recommendations to improve global food security, an issue of profound importance to all nations.

Yayi Boni, President of Benin and Chair of the African Union, participated in this taskforce, along with Jose Graziano da Silva, Director-General of the FAO, and Francisco Mayorga of the Mexican Secretary of Agriculture.

Daniel Servitje, CEO of Grupo Bimbo and Co-Chair of the Task Force, noted that the Mexican G20 Presidency defined increasing agricultural productivity as the main theme of its work on food security, and the Task Force developed its recommendations responding to that goal. Paul Polman, CEO of Unilever and Task Force Co-Chair, said the diversity of the Task Force membership reflects the importance of engaging all stakeholders in this effort.

Yayi Boni, President of Benin, focused his participation on African efforts to strengthen food security through national agricultural programs, and commented that governments have committed to a goal of spending 10% of the national budget on agriculture; and are seeking greater private-sector investment in the sector. The President also encouraged the CEO's present to invest in Africa.

For José Graziano Da Silva, Director General of the United Nations Food and Agricultural Organization (FAO), the key to eradicating poverty and hunger lies in access to natural resources. Land rights and sustainable development must go hand in hand as it is necessary to establish a legal framework which promotes rural development, he added.



President Yayi Boni from Benin participated in the food security taskforce, here with Daniel Sertvije, CEO of Bimbo Group, and Paul Polman, CEO of Unilever

At the end of the session, the group agreed on the importance of strong leadership and commitment to action by both public and private sectors, to jointly address the need for global food security as an ongoing part of the G20 agenda.

# Green Growth

Co-chaired by Fulvio Conti (ENEL) and Ditlev Engel (Vestas Wind Systems A/S)



Green Growth taskforce session with Lord Nicholas Stern Chair of the Grantham Institute on Climate Change and the Environment, Fulvio Conti CEO of Enel S.p.A, President Felipe Calderon and Ditlev Engel CEO of Vestas A/S

Members of the task force gathered at the B20 in order to promote projects and public policies which stimulate the growth of the economy and focus on environmental protection as the only means of guaranteeing long-term development. In addition, they asked President Felipe Calderon to be the Honorary Chairman of the Green Growth Action Alliance (G2A2), which will be supported by more than 50 institutions, in order to ensure that, through “his charisma and leadership”, the agreements this group reaches are relayed to the leaders of the G20.

After accepting the invitation, the Mexican President underlined the urgency in reviewing subsidies on fossil fuels and called on leaders of the B20 to find ways in which to ensure that “all economic measures which are good for the environment also represent a good business opportunity”.

G2A2 held an official kick-off meeting in Washington DC, on July 17<sup>th</sup> 2012, with nearly 50 attendees. The group has set an agenda for the next 18 months, and will continue to work on identifying innovative ways of financing green projects, improving risk and return assessments for those projects, and provide mitigation strategies for systemic risks.



# Employment

...

Co-chaired by Jeffrey Joerres (ManpowerGroup) and Kris Gopalakrishnan (Infosys)

The Task Force on Employment was attended by the Secretary of Labor and Social Work of Mexico, Rosalinda Velez; the Mexican Secretary of Tourism, Gloria Guevara; Rosie Rios, Treasurer of the United States of America; and Juan Somavia, the Director General of the ILO. The B20 Employment Task Force set out five priority recommendations to improve the creation of jobs and, as a consequence, drive economic growth.

During her remarks, Rosalinda Velez stated that employment is a focal point of the G20's agenda, and the relevance for business and governments to follow up on the agreements achieved at Los Cabos.

Juan Somavia commented that the uncertainty of the policies necessary to drive growth means that new solutions must be developed. In this area, private-public partnerships must be conceived in order to reach practical solutions to promote the creation of jobs.

Gloria Guevara focused on the importance of tourism as a means of creating jobs and driving economic growth and development. "Tourism is a driving force for jobs; 1 of every 12 jobs in the world is related to tourism."

Another of the recommendations discussed was that of promoting internships and apprenticeships in order to successfully bring young people into the labor market and provide them with appropriate skills.



Employment taskforce with Gloria Guevara Secretary of Tourism, Rosie Rios Treasurer of the United States, Juan Somavia Director General of the International Labour Organization, Jeffrey Joerres CEO & Chairman of ManpowerGroup, Kris Gopalakrishnan Chairman of Infosys Ltd. and Rosalinda Velez Secretary of Labour and Social Security

The CEOs and business leaders present focused on the urgent need to move from good ideas to tangible action, particularly with regard to the challenge of youth unemployment.

# Anti-Corruption and Improving Transparency

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Co-chaired by Davit T. Seaton (Flour Corporation) and Ferdinando Beccalli-Falco (GE)



During the meeting held with the Anti-Corruption Task Force, in which the Mexican Secretary of Civil Service, Rafael Morgan Ríos, and Jose Angel Gurria, Secretary General of the OECD, were present, the dialogue focused on the overall recommendation of extending the G20 Seoul mandate on anti-corruption for an additional 2 years, plus four priority recommendations which can be implemented immediately.

Jose Angel Gurria Secretary General of the OECD, Davit T. Seaton CEO of Flour Corporation, Ferdinando Beccalli-Falco President and CEO of GE International, and Rafael Morgan Rios Secretary of Public Administration

CEOs discussed additional areas of opportunity such as mechanisms for self-reporting, addressing multi-jurisdictional issues, and the power of integrity pacts. Dr. Gurria reiterated the OECD's support as an ally in the fight against corruption, and proposed to meet in October and explore how

the OECD could work with the B20 on a more systematic basis to help implement the B20 Task Force recommendations.

The Mexican Secretary of Civil Service voiced his support for these efforts and stressed the importance of working together to advance these key opportunities.

## Trade and Investment

...  
Co-chaired by Victor K. Funk (Li & Fung) and Martin Senn (Zurich Insurance Group)

G20 countries, according to the recommendations made by the B20, must promote measures which facilitate trade and investment, in addition to rejecting any type of protectionist measures. In 2011, 124 restrictive measures were implemented in G20 countries.

The group's recommendations are aimed at investment as a means of growth, including measures such as support for trans-border investment, monitoring by the private sector in order to avoid protectionism, protective measures for intellectual property and studies of international practices.

As a special guest at this meeting, the Prime Minister of Turkey, Recep Tayyip Erdoğan, reiterated the G20's commitment to avoiding protectionist measures and promoting growth. He stated that, by taking comprehensive steps to enforce this area, such as those which have been taken in Turkey, the consequences of financial crises can be mitigated. Some of the measures include setting specific goals to increase market participation by 2023, national and international coordination groups to improve the investment climate and focuses on large scale investments, such as technology.

Robert Zoellick, President of the World Bank, talked about how dialogue like this allows CEO's to reach agreements with governments, wield greater influence and



Prime Minister Recep Tayyip Erdogan participated in the trade and investment taskforce session. In this photo: Ahmet Davutoglu, Minister of Foreign Affairs from Turkey, Pascal Lamy, Director General of the World Trade Organization, Ali Babacan Deputy Prime Minister for the Economy from Turkey and Prime Minister Recep Tayyip Erdogan

achieve a greater impact in terms of results, highlighting the important role the link between the private and public sector has on the creation of jobs.

## ICT and Innovation

...  
Co-chaired by Carlos Slim Domit (Grupo Carso) and Dan Reed (Microsoft)

The members of the task force were in agreement about the ability of ICT's to drive business and generate employment, but they accepted that they are only efficient when used in conjunction with education and training.

Some of the topics discussed included the exponential growth of access to mobile telephony in Africa and the development of integrated banking platforms which offer higher quality customer services. Another important topic

discussed was the importance of maintaining the current private sector ICT development, particularly in view of the government incentives needed to increase the coverage of new generation networks.

The President of Chile, Sebastian Piñera, a special guest at the session, recognized the work undertaken by the task force as being a clear and direct declaration of the importance of ICT's as tools for social inclusion and which help



President of Chile Sebastian Piñera at the ICT and innovation taskforce session , here with Dan Reed, VP of Technology Policy of Microsoft



The ICT and innovation taskforce

combat poverty. He stated that “we cannot arrive late to this new technological revolution”. He also stated that new pillars must be built, including: improvements to the education system, promoting the spirit of business, combatting inequality and, finally, taking advantage of the opportunities offered by the modern world.

Dionisio Perez-Jacome, Secretary of Communications and Transport in Mexico, talked about the importance of

ICT’s for all sectors and their effect on GDP, employment, productivity, exports and business in countries. He also mentioned the need for governments to search for better models to tackle the challenge of innovation and increasing access to ICT’s.

## Financing for Growth and Development

...

Co-chaired by Guillermo Ortiz (Grupo Financiero Banorte) and Peter Sands (Standard Chartered)

Financial services are of key importance for the development of any economy, especially for emerging markets. “The financial sector must be included as a driving force for growth”, stated Agustin Carstens, Governor of the Bank of Mexico, during talks held with the Task Force on Financing for Growth and Development during the B20 Business Summit.

This session focused on three topics deriving from the recommendations made by the panel:

1. Trade finance.
2. Financial inclusion.
3. The importance of measuring the impact of financial market regulations and their reforms, with the aim of evaluating unforeseen consequences, especially in emerging markets.

Financial inclusion, as mentioned by the Mexican Secretary of Finance, Jose Antonio Meade, can be found in the



Agustin Carstens, Governor of the Bank of Mexico, Guillermo Ortiz CEO of Banorte, Jose Antonio Meade Secretary of Finance and Public Credit, Peter Sands CEO of The Standard Chartered Bank, Pravin Gordhan South African Minister of Finance, Lars Thunell CEO of the International Finance Corporation



Agustin Carstens Governor of the Bank of Mexico, Guillermo Ortiz CEO of Banorte, Secretary Jose Antonio Meade Secretary of Finance and Public Credit, Peter Sands CEO of The Standard Chartered Bank and Minister Pravin Gordhan South African Minister of Finance led the discussion.

G20's agenda, which itself is complemented by the recommendations of the B20. The work undertaken in this area has created a series of networks, with the support of the OECD, in order to share the experiences of other countries in terms of regulatory measures and financial protection.

Pravin Gordhan, the South African Minister of Finance, talked about the need for solutions which promote inclusive growth as well as the need to deepen the financial system, especially for emerging markets like Africa.

## Advocacy and Impact

Co-chaired by **Dominic Barton (McKinsey & Company)** and **Pablo Gonzalez (Kimberly-Clark Mexico)**

The taskforce stressed importance of establishing a process to advance and monitor the recommendations defined by the B20's task forces.

During the meeting, it was stated that each task force had prioritized its recommendations and had established specific lines of action and goals which would enable their advances to be measured. It was also highlighted that the impact and advocacy process must be consistent, in order to ensure comparable measures and results for all the countries involved, while also being flexible enough to adapt to the situation of each country. This monitoring will be carried out through a traffic light system which classifies the advances of the prioritized recommendations using three colors (red, yellow and green).

During the task force session, the participation of the private sector, international organizations and government agencies was recognized as being a determining factor for the work undertaken by this task force. It was stated that continuity is a factor of the utmost importance, in addition to stating that the task force's work will continue after the Summit in Los Cabos comes to a close. Also discussed was how national leaders, the private sector, universities and other civil society organizations from all the G20 countries should be involved.



Advocacy and impact taskforce session

The Advocacy and Impact task force has kept its commitment of continuing its work after the Los Cabos Summit. The group has continued to meet and to follow up on the implementation process of the B20 recommendations. The Task Force will organize a progress tracking meeting in November of 2012.

# B20 KEYNOTE SPEECHES TAKEAWAYS<sup>2</sup>

2. Source: Zymat Consultores

## Keynote address by Susilo Bambang Yudhoyono ... President of Indonesia

Susilo Bambang Yudhoyono stated that the opportunities for reactivating the economy lie in developing countries as they have demonstrated their resistance to external crises and have an “immense potential for growth which must be taken advantage of”.

He commented that emerging economies have maintained a level of resistance which is of use to the global economy. Confidence in them is high and this is something that should be protected.

He explained that, in Indonesia, a number of models designed to strengthen the domestic and investment markets have worked, in addition to successfully reducing their vulnerability to external forces. These include a national inclusion program for financial services and micro-credits, in addition to solid public-private sector associations for the creation of infrastructure.



President of Indonesia Susilo Bambang Yudhoyono

# Keynote address by David Cameron

...  
Primer Minister of the United Kingdom of Great Britain and Northern Ireland

Prime Minister Cameron, during talks held with CEO's at the B20 Summit, stated that "the decisions taken at the G20 Summit will be worthless if the jobs necessary are not created. Together, we must take decisive steps to eliminate the threats to recovery."

David Cameron also discussed the changes which have been implemented in the UK economy in order to ensure its stability. He stated that, among other steps taken, the fiscal deficit was cut by half, retirement ages were increased, an aggressive deregulation program was implemented and business and individual taxes were lowered. He also stated that "if the French go ahead with a 75% top rate of tax we will roll out the red carpet and welcome more French businesses to Britain and they will pay taxes in Britain and that will pay for our health service, and our schools and everything else."

The British Prime Minister asked those present to use the media to promote the benefits of free trade and the opening of markets and their role in combatting poverty and creating opportunities, adding that there are worrying signs of an increase in protectionism in the G20 countries since the beginning of the crisis.



Prime Minister of Great Britain and Northern Ireland David Cameron

Finally, Prime Minister Cameron commented that the single European market must be protected, and that the European Union will have to make difficult decisions in order to avoid years of stagnation, or a break-up of the Union.

# Keynote address by Lee Myung-bak

...  
President of South Korea



President of the Republic of Korea Lee Myung-bak

During a dialogue held with business leaders Lee Myung-bak, President of South Korea, stated that in light of the threat of the global financial crisis spreading, countries with robust public finances must actively participate in accelerating the global economic recovery. He warned also that if the G20 does not move quickly, "it is more likely that Europe will remain the epicenter for global unease". That is why he called on the CEO's present at the B20 to take an active stance in the recovery process, mainly through driving the creation of jobs.

He explained that the role played by governments must be to offer the facilities companies need to operate, through a wide-ranging deregulation program which will help companies grow, even in the midst of a crisis.

# Keynote address by Julia Gilliard

...

Prime Minister of Australia

The Australian Prime Minister, Julia Gillard, stated that fiscal and budgetary discipline is the only way in which to recover confidence and credibility during the economic recovery process.

The Australian Premier underlined the importance of how economic freedom and the opening of markets have also contributed to strengthening Australia's strategic position on an international scale. "Protectionism is the enemy of economic recovery", she warned.

She went on to explain that the global economic situation requires countries to face up to their weaknesses, but also highlighted the signs of change which are already being seen.

"These global lines of action require a tremendous amount of effort and that is why we are offering our experience. We should all support reforms which guarantee growth; that is the lesson Australia has shown", she concluded.



Prime Minister of Australia Julia Gilliard

# Keynote address by Sebastian Piñera

...

President of the Republic of Chile

The President of Chile, Sebastián Piñera, stated that one of the lessons that Latin America has learnt from past economic crises is that it is necessary to implement more flexible policies which help to reduce the costs of economic changes.

During the final discussion panel of the B20 Summit, the Chilean President stated that "the World is not prepared to live in times of plenty". This is why it is important to make flexible public policies, mainly in terms of employment, with the aim of ensuring people pay less during crises.

As the system currently stands, adjustments to the labor market happen in the most dramatic way: job losses, when it is possible to lessen this impact if agreements which enable labor markets to evolve are implemented.

During a conversation held with the current chairman of the B20, Alejandro Ramirez, Piñera stated that small and medium-sized businesses have the best means of creating jobs, and labor regulations must recognize the unique situation of SMES as current regulation is more suitable for big corporations but overwhelming for smaller companies.



Alejandro Ramirez, Chair of the B20 Organizing Committee and CEO of Cinopolis, and President Sebastian Piñera from Chile



# B20 PANELS TAKEAWAYS<sup>3</sup>

3. Source: Zymat Consultores

## World Economy Outlook



World Economy Outlook Panel. Ricardo Hausmann Director of Harvard's Center for International Development, Robert Zoellick, President of the World Bank, Christine Lagarde Managing Director of the IMF, Jose Angel Gurría Secretary General of the OECD

The first discussion panel of the B20 included the participation of Jose Angel Gurría, Secretary General of the OECD, Christine Lagarde, Managing Director of the IMF, and Robert Zoellick, President of the World Bank.



The session was moderated by Ricardo Hausmann, Director of the Center for International Development at Harvard University, who opened the dialog by asking questions and raising issues concerning the current global economic situation.

The three leaders stated that this financial crisis will mean that governments and multilateral institutions need to “reinvent themselves” in order to find new ways of ensuring growth, including a much greater participation from developing countries.

The main focus for the panelists and the moderator was the economic situation in Europe, especially in light of the elections currently underway to vote in a new government in Greece.



Robert Zoellick stated that the world is moving to a new sector of the crisis and it is important for countries to focus on the mid and long term, without losing sight of the short term, especially in terms of debt.



Jose Angel Gurría, when talking about the situation in Europe, declared that the epicenter of the crisis has moved geographically, meaning that this is no longer a problem exclusive to Europe, but rather a systemic challenge which has already had an effect on the global markets.



Christine Lagarde stated that, in light of the global economic outlook, the IMF has been transformed as it is now supporting more developed economies. This is the result of the correlation of the risk which currently exists within the Euro zone.

# Trade and Investment



Trade and Investment Panel. Patricia Janiot, Anchor of CNN en Español, Pascal Lamy, Director General of the WTO, Victor K. Fung, Chairman of Li & Fung Ltd, Paul Buckle, CEO of Nestle, Harrold McGraw III, CEO & Chairman of The McGraw-Hill Companies

The meeting of the task force on Trade and Investment was headed by Paul Bulcke, CEO of Nestlé, Victor Fung, Chairman of Li & Fung Limited, Pascal Lamy, Director General of the WTO, and Harold McGraw, CEO of McGraw Hill Companies, and moderated by Patricia Janiot, a news anchor for CNN en Español.

The panelist noted the increase in restrictive policies which hinder the free movement of goods, and stated that it is imperative that urgent measures are implemented in order to put a stop to protectionism, given the fact that it inhibits investment and development.

The discussion centered on how trade and investment go hand in hand, which is why it is necessary for the world leaders taking part in the G20 summit to promote a transparent system which governs the flow of investment, just as there are bodies which regulate trade flows. The discussion also addressed how politicians think and focus mainly on the short term, while large corporations, when they decide to invest in any given country, have a much longer-term outlook.

It was also noted by Pascal Lamy, that often it is business owners themselves who request protectionist measures from their governments in order not to have to compete in an open market. Mr. Lamy requested the G20 leaders to focus on long term growth and keep the borders open to trade, which will

ensure the flow of investment and speed up the economic recovery process.

All the panelists agreed on the need for international advances to ensure fairer trade, although they recognized that the concept of justice can vary from one region to another.



Pascal Lamy, Director General of the WTO

# Business solutions and strategies to tackle global challenges

Businesses must join forces and commit themselves more to developing educational skills and opportunities, not only from a moral standpoint, but also as an economic necessity, stated the CEO's of Grupo Carso, Carlos Slim Domit; Grupo Bimbo, Daniel Servitje; Unilever, Paul Polman; and Manpower-Group, Jeffrey Joerres, in a session moderated by Robert Greenhill, managing director of the World Economic Forum.

During their participation on the discussion panel, these CEO's highlighted the "decisive role" which businesses play in generating conditions which favor long-term global economic recovery.

The session also touched upon the relevance of the business community on social development, both in local and global contexts. Finally, there was discussion about the importance of large corporations providing employment opportunities for young people who are still in the process of completing their professional studies in order to offer them greater inclusion in the labor market.



Business Solutions Panel. Robert Greenhill, Chief Business Officer and Managing Director of the WEF, Jeffrey Joerres CEO & Chairman of ManpowerGroup, Paul Polman CEO of Unilever, Daniel Sertvije CEO of Bimbo, Carlos Slim Dommit Chairman of Grupo Carso

## Financial Inclusion



Financial Inclusion Panel, Luis Alberto Moreno, President of the IADB, Ignacio Deschamps CEO of BBVA-Bancomer, Guillermo Ortiz CEO of Banorte, Peter Sands CEO of The Standard Chartered Bank, Lars Thunell CEO of the IFC

Small and medium-sized enterprises can be a driving force for growth, and that is why it is of the utmost importance that they have access to the financial system, stated the CEO's of BBVA Bancomer, Ignacio Deschamps; Grupo Financiero Banorte, Guillermo Ortiz; Standard Chartered Bank, Peter Sands; and the IFC, Lars Thunell.



Lars Thunell, CEO of the IFC

During their participation in the discussion panel regarding financial inclusion, which was moderated by the President of the Inter-American Development Bank, Luis Alberto Moreno, these bankers highlighted the importance of ensuring that citizens have enough information in order to be able to make good financial decisions.

The topics discussed were how to avoid customers falling into debt, reaching out to people who do not have access to financial institutions; the role technology is playing in lowering the costs of financial services, and increasing communica-

tion with costumers. Finally, the importance of micro-financing as a mean to combatting inequality, and the construction of a legal infrastructure were also debated.

## Disruptive technologies

During the B20 Summit, two conferences on the growing influence of science and technology on the future of the world economy were presented.

A specialist in this area, Juan Enríquez Cabot, Managing Director of Excel Venture Management, talked about the evolution of human beings from the very first hominids, before focusing on how, with the advent of splitting and decoding human DNA strands, a wave of discoveries in the area of health will come which will have wide-ranging repercussions on the economy.

Dean Kamen, President of DEKA Research & Development, presented some innovations created by his company which aim to create greater equality in terms of access to services, such as drinking water, through self-sustaining technologies. Kamen highlighted the importance of promoting the spirit of science among young people as a means of generating knowledge in the future.



Dean Kamen, President of DEKA Research



Juan Enriquez, Managing Director of Excel Venture Management

# B20-G20

## Dialogue Session

On June 19, nine representatives of the B20 joined 16 government leaders to discuss the recommendations generated by the business community. One member of each B20 taskforce, as well as Alejandro Ramirez as chair of the organizing committee, attended the breakfast, and presented the recommendations from the B20 taskforces to the government leaders.

This event represents a breakthrough in B20 history, as it is the first time the B20 has taken part in the G20's agenda. Alejandro Ramirez presented key recommendations of the eight B20 taskforces. Sharan Burrow also presented the recommendations of the L20, stressing the need for decent jobs and work, internships for young workers and urging the use of the saving funds of workers as investments that promote green economic growth.

After the recommendations were presented, President Calderon moderated the session. The G20 government leaders actively participated in discussions of the topic of Food Security, particularly on the role that subsidies have in the distortion of trade, and the dangers of famine given scarcity and high prices. On this topic, Steffan Lippe commented that "investments have to come from both the private and the public sectors, and have to be country specific to their climate and legal situations." Additionally, he explained that there is a risk that small farmers do not have access to government funds, and that funds must be tailored for this purpose.

A government leader also stressed the need to protect investments across country borders, in order to facilitate trade, and promote a climate of trust. Gerard Worms commented on this point that "the problem with fair trade is that it is understood differently by each country, so multi-lateral negotiations must define what fair trade is." Worms also stated that trade facilitation agreements can reduce the cost of transactions from 10% to 5%, and that a G20 working group should be created with the purpose of creating an infrastructure that protects investments across borders.

On the theme of financing, G20 leaders commented about the need to create a sound legal and economic framework to regulate pension funds management adequately. Guillermo Ortiz added on this point that "Instead of thinking of finance as a weapon of mass destruction, we should consider how we can restore its role in growth and development. Given the technology available today it is much easier to connect people to the financial sphere." Ortiz also commented on the importance of financing SMEs, and their role in promoting economic recovery.

Finally, the G20 leaders praised the recommendations of the business and labor sectors as the pressure for protectionism is rising, and the importance to implement them on the national level across the globe.

The following government leaders participated at the session:

- Julia Gillard, Prime Minister of Australia
- Yayi Boni, President of Benin
- Hun Sen, Prime Minister of Cambodia
- Juan Manuel Santos, President of Colombia
- Sebastian Piñera, President of Chile
- Meles Zenawi, Prime Minister of Ethiopia
- Jose Manuel Barroso, President of the European Commission
- Herman van Rompuy, President of the European Council
- Francois Hollande, President of France
- Susilo Bambang Yudhoyono, President of Indonesia
- Mario Monti, Prime Minister of Italy
- Felipe Calderon, President of Mexico
- Recep Tayyip Erdogan, Prime Minister of Turkey
- Ibrahim bin Abdulaziz Al-Assaf, Minister of Finance and Head of Delegation of the Kingdom of Saudi Arabia
- Jacob Zuma, President of South Africa
- Mariano Rajoy, Prime Minister of Spain

The following business and union leaders participated at the session:

- Alejandro Ramirez, CEO of Cinopolis, Chair of the B20 Organizing Committee
- Steffan Lippe, CEO of Swiss Re, B20 Food Security Taskforce
- Steen Riisgard, CEO of Novozymes, B20 Green Growth Taskforce
- Jeffrey Joerres, President and CEO of Manpower-Group, B20 Employment Taskforce
- Futhi Mtoba, President of Business Unity South Africa (BUSA), B20 Anti-Corruption Taskforce
- Gerard Worms, Chairman of the International Chamber of Commerce, B20 Trade and Investment Taskforce
- Carlos Slim Domit, Chairman Grupo Carso, B20 ICT and Innovation Taskforce
- Guillermo Ortiz, Chairman of Banorte, B20 Financing for Growth and Development Taskforce
- Pablo Gonzalez, CEO of Kimberly-Clark, B20 Advocacy and Impact Taskforce
- Sharan Burrow, General Secretary of the International Trade Union Confederation, L20 Representative

# B20-L20

## Joint working session results

Since last year (2011) in Cannes, the B20 (business leaders) and L20 (union representatives) decided to work together in order to publish recommendations in the area of employment for the leaders of the G20, provided that a high risk of unemployment was becoming a structural problem. This risk has become pervasive.

This year (2012) in Los Cabos, the goal of the B20-L20 joint recommendations was to promote a more adequate environment for creating jobs with social security. High quality, fairly paid internship and apprenticeship programs are one of the principal areas of interest of the joint recommendations. Fostering youth employment should be a priority for the G20 economies. This requires an urgent dialogue between business and union representatives, supported by governments to consider specific actions to each country.

Another of the key topics discussed in the joint meeting was the need to address the problem of the informal economy. The aim is not to attack the informal economy directly, at the risk of destroying jobs, but to initiate as soon as possible a process of reflection and action in order to promote the growth of the formal economy. Incorporating workers to the formal economy would result in guaranteeing social security for them.

Collaboration between those promoting social and inclusive dialogue is essential in the search for new solutions to complex problems, stated Mr. Michel Sapin, the French Minister of Social Affairs and Employment, and Ms. Rosalinda Velez, the Mexican Secretary of Labor and Social Welfare. Governments should contribute in creating an administrative and regulatory environment to facilitate the growth of all businesses, including small and medium-sized enterprises, and therefore, foster creation of more and better employment opportunities.



B20-L20 Joint Working Session

# THE B20

## Organizing Committee



The organizing committee was led by Alejandro Ramirez, CEO of Cinépolis, COPARMEX and COMCE. The supporting organizations of the B20 organizing committee were the World Economic Forum, The International Chamber of Commerce, the OECD, McKinsey and Company, and Fundación IDEA.

As a vital aid of the organizing committee, the Ministry of the Economy (Secretaría de Economía) played a key role supporting the organization and structure of the B20 summit.

Additional, the Ministry of Foreign Affairs (Secretaría de Relaciones Exteriores) and ProMexico supported at every stage the work of the taskforces, and the activities of the summit.

The Ministry of Tourism (Secretaría de Turismo) provided a key role too by supporting the media campaign. Zymat Consultores and Qorvis managed the media relations for the B20 process.

Also, the President's Office, and the ministries of Finance, Agriculture, Energy, Environment and Labor provided valuable support to the organizing committee.

Finally, the B20 would not have been possible without the aid of its sponsors: NEXTEL, HSBC, Nissan, Bimbo, Cinépolis, FedEx Express, The McGraw-Hill Companies, The Dow Chemical Company, Grupo Lala, and the Hilton Hotels & Resorts.



# Annex 1: G20 Declaration\* Analysis<sup>4</sup>

RECOMMENDATION	IN G20 DECLARATION*	PARAGRAPH IN WHICH IT IS INCLUDED
<b>GREEN GROWTH</b>		
Establishing a Green Growth Alliance	Yes	72
Promoting free trade in green goods and services	Yes	69
Achieving robust pricing on carbon	-	-
Ending inefficient fossil-fuel subsidies	Yes	74
Accelerating low-carbon innovation	Yes	75
Dramatically increasing efforts to pool public funding to leverage private investments	Yes	66
<b>ICT &amp; INNOVATION</b>		
Achieving broadband for all	-	-
Developing content and application for the public good: social inclusion through ICT	Yes	54
Ensuring Cyber-security for all	-	-
Promoting innovation in ICT	Yes	72
Leverage ICT in other task forces	Yes	72
<b>ANTI-CORRUPTION</b>		
Enhancing transparency in government procurement	-	-
Promoting, extending and implementing Collective action and Sectoral Initiatives	-	-
Engaging the private sector in the review mechanisms of UNCAAC and the OECD Anti-Bribery Convention	Yes	78
Encouraging cross-fertilization within the private sector, and between the public and private sectors, through training and capacity building activities	-	-
Encouraging the adoption of business codes of conduct, with a specific focus on SMES	-	-
Strengthening the legal and regulatory framework on anti-corruption	Yes	79

\* G20 Final Declaration can be found in the USB drive attached to this document

RECOMMENDATION	IN G20 DECLARATION*	PARAGRAPH IN WHICH IT IS INCLUDED
<b>EMPLOYMENT</b>		
Commit to strategic infrastructure investments	Yes	9
Implement structural labor market reforms and policies	Yes	20
Facilitate growth of SMEs and Innovative Business Models	Yes	50
Improve collaboration between business and educational institutions	Yes	20
Scale internships and apprenticeships	Yes	20

<b>FINANCING FOR GROWTH AND DEVELOPMENT</b>		
Create an environment that leads to a rapid expansion in access to finance	Yes	11
Improve financial education, protection and financial inclusion	Yes	52
Increase SME finance through better credit risk, provision and access	Yes	50
FSB, IMF and World Bank should consider affect of regulation on provision of trade finance	Yes	45
Encourage trade finance in non-dollar denominated products		

<b>FOOD SECURITY</b>		
Creating an enabling environment for investment	Yes	27
Optimizing agricultural productivity and nutrition outcomes	Yes	55
Ensuring sustainability through effective resource management	Yes	60
Strengthening capacity to improve value chain	Yes	29

<b>TRADE AND INVESTMENT</b>		
The G20 should make trade and investment a permanent item on its agenda	-	-
The G20 Should lead by example in rejecting measures that restrict trade and investment and in promoting measures that enhance trade and investment	Yes	26
The G20 should encourage progress in multilateral trade liberalization and rule-making within the WTO	Yes	26
The G20 should support progress on specific items on the WTO negotiating agenda on a priority basis	-	-
The G20 should reiterate its support for open cross-border investment as an essential contributor to growth, development and job creation	Yes	27
The G20 should create a working group on investment to advance this agenda and report back to the next G20 Summit in Russia in 2013	-	-

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