



Mr Peter Mandelson  
Member  
European Commission  
200 rue de la Loi  
B-1049 Brussels

27 February 2007

Dear Commissioner,

With the WTO negotiations now moving rapidly in Geneva, I am writing you to call for a renewed effort for an ambitious outcome of the Non-Agricultural Market Access (NAMA) and services talks for EU business.

BUSINESSEUROPE would like to restate its position in strong support of a simple non-linear Swiss formula with two coefficients, one for developed and one for developing countries. The coefficient for developing countries should be of 15 with no more than 5 percentage point difference with the coefficient for industrialised countries. Flexibilities for the developing countries should only be linked to the level of ambition of the tariff formula. They should not facilitate emerging countries avoiding real market access commitments in whole sectors and products of EU export interest. BUSINESSEUROPE is concerned that the flexibilities for developing countries could be object of negotiation in exchange for the formula coefficients.

Due to different tariff levels among industrial sectors, market access to major emerging and developed markets such as China, Brazil, India or the US can only be achieved through a combination of an ambitious formula complemented by sectoral agreements in willing sectors. However, BUSINESSEUROPE underscores the need for careful public support by the Commission on sectoral negotiating opportunities. While the Commission should publicly support sectoral negotiations that EU industries favour, it should also be aware of the risks that some WTO Members may want to use the sectoral approach to undermine ambition in the formula negotiations. This would undermine the economic value of the Doha Round and erode European business support for its conclusion. Consequently, the Commission should make it perfectly clear to trading partners that sectoral agreements are a necessary part of the NAMA package but that there should not be any trade-offs with an ambitious formula.

Furthermore, BUSINESSEUROPE calls for determined movement on non tariff barriers (NTBs) which are undermining the competitiveness of EU industries. In particular, it supports proposals to deal with export restrictions/taxes, and on the mediation mechanism for resolving NTBs as well as the sectoral proposals put forward by the EU in 2006. The commendable work done by the Commission in this field now needs to be followed up with a coherent strategy to mobilise support in the WTO for the key initiatives.



BUSINESSEUROPE also expects the Commission to press the case for successful services deal in the Doha Round which will require much more work than agreeing on formulae. There is a risk agreements could be reached on agriculture and goods, without parallel progress in services, and that battle-fatigued negotiators in Geneva might simply declare victory and go home. Without an ambitious deal in services with substantial and commercially meaningful new market access, it will be a real challenge to mobilise business to support the Round

As you are well aware, European business cannot support an OECD-only NAMA round. The EU must press for substantial results in the NAMA negotiations to ensure that real market access will be obtained in this round. BUSINESSEUROPE hopes that EU-US differences over agriculture will not undermine broader understanding of the need for Transatlantic cooperation to prevail in the interests opening emerging country markets for goods and services.

BUSINESSEUROPE counts on the European Commission to deliver an ambitious outcome of the negotiations.

Yours sincerely,

*(Original signed by)*

Philippe de Buck