

BUSINESSEUROPE



THE SECRETARY GENERAL

Rt Hon Peter Mandelson PC
Member
European Commission
200 rue de la Loi
B-1049 Brussels

Final 7 June 2007

Dear Commissioner,

I would like to express serious concerns over the possible lowering of ambition in the WTO Doha negotiations which business cannot accept. BUSINESSEUROPE has actively mobilised the support of the business community throughout the round and has maintained a steadfast commitment to multilateral trade negotiations. However, business support is conditional on achieving substantial outcomes in the Non-Agricultural Market Access (NAMA) and services talks for EU business. Anything less would not meet European business' expectations.

Recent BUSINESSEUROPE visits to Geneva and Brazil have highlighted the unacceptably low level of commitment of G20 countries to an ambitious industrial tariff cutting formula. Without major tariff reductions by both industrialised and emerging countries, the Doha Round will not deliver effective new industrial market access for business. The key issue over the coming weeks must be to convince the emerging countries to accept a lower formula coefficient. This will be the litmus test for business support for the round.

Although BUSINESSEUROPE considers an agreement on an ambitious formula to be its highest priority, it feels that the Commission should start to give prudent public support to sector negotiations in willing sectors. Indeed, BUSINESSEUROPE feels that it is now time to explore in more detail how sectoral agreements in willing sectors can complement the overall formula. Consequently, the Commission should engage with key emerging countries such as China, India and Brazil on sectors of export interest to European business.

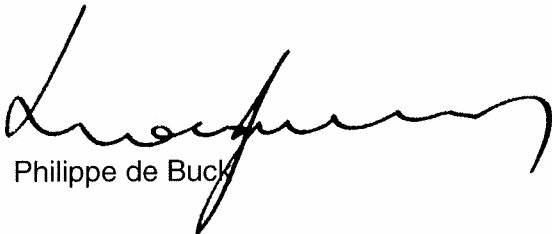
Furthermore, BUSINESSEUROPE expects concrete results on non tariff barriers (NTBs) which undermine the competitiveness of EU industries and distort international markets. In particular, it strongly supports EU proposals for clear rules to deal with export restrictions/taxes, dual pricing and to create a mediation mechanism for resolving NTBs as well as the sector proposals.

In the rules area, meaningful progress must be made on key issues such as trade facilitation and anti-dumping/anti-subsidy. A binding trade facilitation agreement could remove many non-tariff barriers and significantly reduce the delays and costs of trading for companies. A more harmonised application of anti-dumping rules is essential to create a more level playing field for European business and avoid abusive use of the instrument. Trade distorting practices such as dual pricing should clearly be declared WTO-incompatible.

Finally, services negotiations cannot be left behind agricultural and industrial trade negotiations in this round. Parallel progress must be made in services by urging key WTO countries to make deeper commitments in the key sectors of European export or investment interest. 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.

BUSINESSEUROPE counts on the European Commission to deliver an ambitious outcome of the negotiations. For its part, BUSINESSEUROPE is consistently relaying its message to Member States, delegations in Geneva and in key capitals around the world that the only feasible outcome of the Doha Round is an ambitious conclusion with real gains for all players.

Yours sincerely,



Philippe de Buch