



BUSINESSEUROPE

THE SECRETARY GENERAL

Mr. David O'Sullivan
Director General
DG Trade
European Commission
1049 Brussels

7 October 2008

Dear Director General,



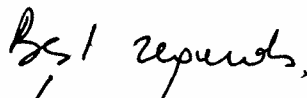
I would like to take this opportunity to thank DG Trade for organising the Raw Materials conference on 29 September 2008. I believe that the large number of participants in the conference underlines European industry concerns about access to raw materials and the need to strengthen the EU's trade policy on raw materials.

European industry appreciates that stable and undistorted access to raw materials is high on the Commission's agenda, strongly supports a new emphasis on raw materials in the Global Europe Strategy and looks forward to the wider Commission Strategy soon to be presented by vice-president Verheugen. However, although industry supports using bilateral negotiations and dialogues as well as WTO accession negotiations to enforce commitments on free trade in raw materials, it also urges the Commission to look more closely into avenues to enforce these commitments over the short term.

In this context, let me stress the sensitivity of European export competitiveness to the non-discriminatory supply of raw materials. Since raw materials cost on average make up around a sixth of the costs of manufactured goods in the EU, trade restrictions and subsidies applied to raw materials can severely undermine highly competitive EU industries. Therefore, BUSINESSEUROPE calls upon the European Union to take action to counter government intervention in raw materials markets. Appropriate avenues for such action include recourse to the WTO dispute settlement system, using trade defence instruments to counter distorting practices and reforming the trade barriers regulation to transform it into an effective tool for industry complainants.

I am hopeful that you share our concerns for the acute nature of this problem and that the European Commission will take these concerns into account in its trade policy on raw materials.

Yours sincerely,



Philippe de Buck

