

Mr Karel De Gucht

Commissioner-Designate European Commission Rue de la Loi 200 B – 1049 Brussels

8 December 2009

Dear Commissioner,

In January 2009, you will have a hearing with the International Trade Committee in the European Parliament as Commissioner-Designate for External Trade in the next European Commission.

After the global financial crisis, European companies and citizens aspire to brighter economic prospects. It is through business development and investments that Europe will find the capacity to meet societal and environmental challenges successfully and at the same time rebuild a sound macroeconomic environment. Putting companies and entrepreneurs at the heart of EU's future policy agenda will be a key success factor for Europe.

We expect from the next Commission a clear commitment to open market principles. Introducing the necessary reforms to strengthen Europe's capacity for growth and job creation will require determined action on six priority issues:

- Fixing the financial system and restoring credit flows,
- Implementing reforms to attract investment and innovation.
- Developing a viable exit strategy to excessive public deficits,
- Boosting skills and human capital for the recovery.
- Bolstering open trade and fighting protectionism,
- Ensuring global commitments to fight climate change.

Europe's social and economic model, alongside a vibrant single market, a well-functioning monetary union and solid external relations, offers a strong base for turning current challenges into opportunities for development.

In your specific field of responsibility, European companies are keen to see concrete results on the following points:

1. Ensure a strong link between trade policy and overall EU competitiveness Multilateral and bilateral trade negotiations should prioritise market access and improve trade and investment rules for EU companies in key markets. You should also engage in Commission debates to ensure that EU policies contribute to strengthening the EU's international competitiveness in an increasingly globalised world.



2. Promote market access through multilateral and bilateral trade agreements

Political leadership will be required to bring the WTO Doha Round to a conclusion. We expect you to engage firmly with the US, China, India and Brazil as soon as you take office to outline a progressive path forward in the negotiations. Clearly, the key players will need to demonstrate their willingness to open further their markets to get a deal done. Bilateral free trade agreements are essential to increase market access for European companies in fast growing markets like Korea, India and Canada. The EU must firmly promote its export and investment interests in these negotiations in close cooperation with European business.

## 3. Drive transatlantic economic cooperation

Transatlantic economic integration is strategically important for European companies. We congratulate you on your appointment as Co-Chairman of the Transatlantic Economic Council and urge you to begin work as soon as possible to drive forward its work towards the creation of a barrier free transatlantic economic market. We also note the importance of close cooperation with the United States on multilateral negotiations, particularly in the WTO.

## 4. Ensure adequate enforcement of trade policy

Trade negotiations will prove meaningless without a strong EU enforcement policy to ensure that trade partners live up to their commitments. We expect your Market Access Strategy to focus more specifically on the leading emerging markets including Russia, China, India and Brazil, especially in the following areas: deployment of new technologies, access to raw materials, investment and IPR protection, procurement and non-tariff barriers and standards.

State interference in the market through state subsidies, artificially low raw material prices and direct or indirect financial support for state owned enterprises in transition economies will lead to an increase in trade defence measures around the world. In the absence of a global competition authority, EU companies need legitimate trade defence measures to restore a level playing field. Trade defence investigations should be transparent and fair for all interested parties

We attach more detailed briefings on the above-mentioned issues.

We are confident that you will secure the European Parliament's endorsement to pursue a policy programme along the lines defined above.

Yours sincerely,

Philippe de Buck

Jürgen R. Thumann

President