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**UPDATE OF PRELIMINARY UNICE POSITION ON MARKET ACCESS IN VIEW
OF A NEW ROUND OF WTO MULTILATERAL TRADE NEGOTIATIONS**

In June 1999 UNICE issued a preliminary position on market access in the context of a new round of WTO multilateral trade negotiations. Following the WTO Ministerial Conference in Seattle, UNICE has revisited this position to adapt it to the new situation.

UNICE reconfirms its strong commitment to a broad-based, comprehensive approach to a new multilateral trade round since this offers better chances for a balanced and therefore more acceptable outcome of the round for all WTO members. The Ministerial Conference in Seattle has clearly demonstrated that there is no widespread support for a narrow approach limited to some sectors only. Whilst further tariff liberalisation is a key priority for UNICE, progress in this area should be pursued in tandem with progress in non-tariff barriers to trade.

With regard to tariff liberalisation UNICE restates its priorities as:

- A comprehensive approach covering all sectors;
- Bound reduction of high tariffs and in particular tariff peaks with a view to securing greater tariff harmonisation between countries;
- Binding of unbound tariffs at commercially acceptable levels;
- Improved geographical coverage of zero-duty sectoral agreements and (sectoral) tariff harmonisation agreements.

Whilst reconfirming its preliminary position on market access of 8 June 1999, UNICE would like to stress the following aspects particularly:

- UNICE strongly regrets that in Seattle it proved impossible to reach agreement on the unilateral dismantling of practically all tariffs for imports from the least developed countries. Acceptance of this initiative would demonstrate the commitment of the developed WTO members towards the least developed countries. UNICE regrets that the recent Quad initiative on this issue was not comprehensive enough to meet with a favourable response from developing countries.
- UNICE strongly stresses that the draft language on market access that was developed in Seattle was much too vague as regards tariff peaks. UNICE argues that industrial tariffs are to be bound at a maximum level of 15%. Specific tariff liberalisation provisions should however be considered for the least developed countries to take account of their individual situation.
- In order to achieve meaningful market access commitments, reduction schedules should take applied tariffs and not bound tariffs as their starting point.

- In view of the relevance small tariffs can represent for particular sectors, UNICE opposes any automatic elimination of such tariffs below certain limits and insists that any elimination only occurs with the consent of the sectors concerned.

Whilst UNICE firmly believes in the need for a comprehensive approach to tariff liberalisation, this should not constitute an impediment to initiatives for early tariff elimination for sectors aiming for deep tariff cuts or tariff elimination. UNICE insists, however, that such initiatives should only be pursued within the context of a broad round. They should enjoy the full support of the sectors concerned and cover a critical mass of participating countries. Provided these conditions are fulfilled there should be possibilities for provisionally concluded sector agreements early in the new round to be included in the single undertaking in due course. This would demonstrate the continued ability of the WTO system to deliver results. In order to achieve this objective WTO members should start exploring the feasibility of, and preparations for, such agreements, on condition that this does not compromise the final goal of a comprehensive round covering all sectors.

The preparation of a new round should not detract from efforts to achieve the implementation and enforcement of existing agreements by all WTO members. UNICE strongly supports the European Commission's market access initiative as a means to open markets for European industry and identify priority action. The Commission's trade barriers removal programme should be focused on removing barriers that constitute clear infringements of WTO commitments. Barriers should be evaluated on the basis of objective and sector-specific criteria such as the seriousness of the infringement, the generic effects action will entail, availability of documentary evidence and economic impact.

Whilst the preparation of the new round is an absolute priority, UNICE would be very concerned if particular barriers or countries were not addressed for political reasons. Likewise, UNICE would oppose the extension of the implementation deadlines within the framework of TRIMS and the Customs Valuation Agreements if these were to be granted without strict conditions being attached. UNICE urges that any further delays in implementation of these agreements are strictly limited in time (in any case not exceeding one year) and are made subject to submission of a specific work programme together with strict implementation deadlines.

UNICE furthermore believes that the upcoming triennial review of the Technical Barriers to Trade (TBT) Agreement provides an opportunity to strengthen this instrument as a means to prevent and eliminate non-tariff barriers to trade. In this connection UNICE welcomes proposals made by the European Commission to improve the notification of proposals on technical regulations, conformity assessment procedures and standards. Likewise UNICE strongly supports the European Commission's endeavours for trade facilitation, which is equally important for removal of non-tariff barriers in the area of the physical flow of goods across borders.

As the discussion on market access is continuously evolving, UNICE may complement the above position with further comments at a later stage
