

# UNICE

THE VOICE OF BUSINESS IN EUROPE

Mr Pascal Lamy  
Member of the  
European Commission  
Rue de la Loi, 200  
B-1049 Brussels

22 February 2000

Dear Mr Lamy,

## EVERYTHING BUT ARMS PROPOSAL

I am writing to you to express, in view of the informal 25 February Council of Ministers meeting, UNICE's strong support for the Commission's "Everything but Arms" proposal as a means to improve access to the Community market for the world's 48 poorest countries.

In its updated preliminary position on market access in view of a new WTO round (7 June 2000), UNICE already expressed its regret that in Seattle it proved impossible to reach agreement on the unilateral dismantling of practically all tariffs for imports from the least developed countries (LLDCs). We consider that such an initiative would have demonstrated the commitment of the developed WTO members towards LLDCs. We also deplored the fact that subsequent to Seattle discussions in the Quad have not produced an ambitious proposal either.


UNICE is therefore fully supportive of the Commission's proposal to grant full duty-free access to the EU market for LLDCs, except for arms. The introduction of flexibility in the transition periods for full liberalisation for certain sensitive goods should facilitate rapid approval by the Council of Ministers. UNICE insists, however, that the practical provisions are taken in close consultation with the sectors concerned. UNICE also urges that adequate measures are taken to prevent goods from non-LLDC countries from obtaining unwarranted duty-free access to the Community market. Indeed, because of existing regional agreements and the cumulation of origin, some LLDCs could become a simple "trading platform" for producers in neighbouring countries.

UNICE hopes that this confidence-building measure will help pave the way for the new round, a round that needs to take the interests of the developing countries fully on board and that should result in a balanced set of benefits. It calls on the Commission to continue seeking a similar commitment at international level from all the other industrialised countries.

Whilst elimination of remaining import tariffs vis-à-vis LLDCs constitutes a fundamental market-opening measure, UNICE agrees with the observation in the recent statement by Arthur Dunkel, Renato Ruggiero and Peter Sutherland made in Davos that market access alone will not secure higher export levels. UNICE therefore believes that the major multilateral economic institutions should play a strong role in enhancing the capacity of developing countries to benefit from market opening initiatives.

UNICE appreciates your personal endeavours to have this proposal adopted by the Member States and supported by the other WTO Members.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Daniela Israelachwili', written in a cursive style.

Daniela Israelachwili  
Acting Secretary General