

30 January 2003

Mr Pascal Lamy
Member of the
European Commission
CHAR 7/133
Rue de la Loi, 200
B-1049 Bruxelles

The Secretary General

Dear Commissioner Lamy,

**EUROPEAN COMMISSION CONSULTATIONS WITH CIVIL SOCIETY
ON SERVICES NEGOTIATIONS AT THE WTO**

UNICE warmly welcomes the European Commission's policy of consulting civil society on the requests that it has received for improved market access for services. UNICE is an active participant in all Commission consultation processes on trade matters and supports initiatives that enable responsible civil society representatives to express their views on these essential issues.

The services sector is central to the future of the world economy and an essential element for the competitiveness of European businesses. UNICE believes that both the European services and manufacturing sectors have everything to gain from greater services liberalisation at the multilateral level in particular in terms of employment. The European services market is one of the most liberal – and competitive – in the entire world. That is why the EU needs to continue to be the driving force behind services trade negotiations at the WTO.

For UNICE, services liberalisation ranks among its four priority issues for the Doha Development Agenda along with market access, trade facilitation and investment liberalisation. Our strong commitment to services liberalisation in the WTO reflects the importance of services in the everyday activities of European companies. The traditional separation of industry and services no longer presents an accurate picture of business today. In some European manufacturing companies, 90% of the value added of products now comes from services. In addition, many industrial companies are also service providers because they sell both goods and related services (maintenance, after sales services). Of course, industry is also a major consumer of a wide array of services such as legal advice, accounting, consultancy, advertising, trade, transport, distribution or logistics, information, communication, finance and insurance. The liberalisation of services will substantially lower input costs for European industrial firms and make them more globally competitive. Finally, Europe has a competitive and dynamic services industry that should be given the opportunity to grow and develop within the framework of a fair and transparent rules-based trading system.

European business calls on the EU to continue to press strongly for services liberalisation in the WTO with a view to eliminating barriers to trade and investment for European companies in third countries. The following are among UNICE's priorities in WTO services negotiations:

- To obtain substantial and firm commitments in a wide range of services sectors in WTO negotiations;
- to reduce national restrictions on foreign investment, which impede the internationalisation of services;
- to increase access and transparency in public procurement to ensure in particular that public contracts are awarded fairly;
- to remove government rules and practices which impede or prevent key business personnel from temporary movement between WTO member states;
- to improve the transparency of national services regulations through the development of pro-competitive regulatory principles;
- and to reduce discriminatory qualification rules and standards.

We are counting on the EU to take a forward-looking and ambitious position in the Doha Development Agenda GATS negotiations to enable European companies to take full advantage of the opportunities created by trade and investment liberalisation in services and thus generate new job opportunities.

UNICE looks forward to pursuing the dialogue with all actors on this important issue in order to contribute to an improved understanding of the opportunities that services liberalisation can create and we will continue to build support among the business community for further liberalisation in the WTO.

Yours sincerely,

(original signed by)
Philippe de Buck