

The Rt Hon Peter Mandelson
Member of the
European Commission
200, rue de la Loi
B-1049 Brussels

22 March 2006

THE SECRETARY GENERAL

Dear Commissioner Mandelsc...

I am pleased to send you at annex the latest UNICE position paper on the WTO DDA Industrial Market Access (NAMA) negotiations which reflects the concerns of European industry about a low ambition round. As I indicated to you at the 21 March dinner at the residence of Ambassador Charterjee of India, a low ambition round in NAMA and Services would be harmful for European business.

A low ambition NAMA agreement would effectively lead to the near elimination of industrial tariffs in the OECD countries while allowing the emerging countries to maintain veritable tariff walls against European exports. This cannot be the objective of a trade agreement which will govern the global trading system for the next decade. Therefore, UNICE's message is to ensure that emerging countries open their markets to create a competitive level playing field for European companies. The flip side of this request is that UNICE cannot accept that the European Union pursues a low ambition approach in the DDA negotiations because of defensive concerns in agriculture.

You are also aware that European industry has put forward a number of proposals to remove the numerous non-tariff barriers (NTBs) that it faces in both OECD and emerging countries. Unfortunately, there has been little progress on NTBs in the DDA negotiations to date.

I can only repeat the dangers that this represents for many of Europe's leading industries such as textiles, automobiles, chemicals, electronics, paper, metals, etc. If we do not have market access, we will lose on both ends. On the one hand, there will be increased price competition on the European market and on the other hand, we will not gain the opportunity to export to foreign markets.

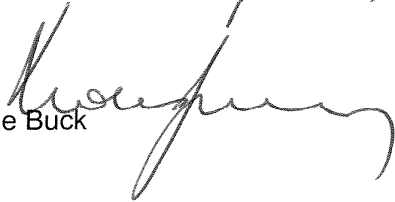
You will find the precise details of what European business is seeking for the tariff formula, additional sector agreements for willing sectors and NTBs in the enclosed position paper. In addition, UNICE is working very closely with the European branch federations to provide your services with sector-specific input in the negotiations.

I trust that your personal commitment to address the external dimension of competitiveness will lead you to make the right choice in the DDA negotiations for growth and jobs in Europe. For its part, UNICE is prepared to support you to achieve an ambitious result in the DDA round.

Yours sincerely,

Best regards,

Philippe de Buck

A handwritten signature in black ink, appearing to read 'Philippe de Buck', written over the printed name.