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DOHA: AN UNACCEPTABLE FAILURE

UNICE, the Confederation of European Business, representing millions of companies across Europe – most of them small and medium-sized – consider the failure of the Doha Development Agenda (DDA) negotiations unacceptable.

With the globalisation of the economy, multilateral agreements are the backbone of the international trading system for agriculture, industry and services. There was clear political will expressed at the highest level at the St Petersburg G8 Summit last week to finalise a deal on the level of ambition for agricultural and industrial tariff and subsidy cuts. Once again the negotiations in Geneva have failed to deliver; this is unacceptable.

The consequences of this failure are substantial for all regions in the world but especially for the poorest countries which would have benefited from improved market access, reformed farm policies in industrialised countries and “aid for trade” technical assistance.

For the European Union, which has the world’s most open industrial and services economy, failure will limit growth opportunities as European business will not bolster access to the growth markets of the future in emerging countries – such as China, India and Brazil.

Ernest-Antoine Seillière, President of UNICE, said: *“I’m disillusioned with the news coming out of Geneva. The negotiations have not moved since Hong Kong in December 2005. Therefore, as the representative of European Business, I plead for a review of the whole negotiating process. I urge WTO members to resume work rapidly to move to a system where WTO Members can agree to liberalise trade for the benefit of all countries.”*

NOTE TO THE EDITOR

UNICE – the Confederation of European Business represents more than 20 million small, medium and large companies. Active in European affairs since 1958, UNICE's members are 39 central industrial and employers' federations from 33 countries, working together to achieve growth and competitiveness in Europe.

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What have we lost with the Geneva breakdown?

1. Market access for industry
 - European business needs lower tariffs and the removal of non-tariff barriers in OECD and emerging countries to expand export opportunities.
2. Market access for services
 - Services negotiations are finally starting to move on a sectoral/plurilateral basis with real opportunities for business development, if WTO members improve their offers.
3. Real progress in agriculture reform
 - The EU has agreed to increase its commitments on tariff liberalisation and others will have to follow.
 - The EU has agreed to eliminate export subsidies and to seriously reduce domestic subsidies.
 - If others could do likewise, this would be real progress in favour of agricultural reform.
4. Improved rules to facilitate trade
 - An agreement on trade facilitation (customs and border rules) would have reduced delays at the border and saved billions for companies active in trade and have improved governance at the border in developing countries.
 - Improvements to anti-subsidy and anti-dumping rules would have provided more legal certainty for importers and exporters.
5. A development package for the poorest countries
 - Many positive deals were agreed to help the poorest countries including a duty-free/quota-free deal for the least developed countries; reductions in cotton subsidies and easier access to medicines during health crises.
 - More generally, WTO members were close to coming to terms on “aid for trade” technical assistance.
6. Threat of a return to protectionism
 - With a weakened WTO and regular calls by governments for a return to populist policies, there is a real risk of protectionism which will harm all countries.