



EU-Asia Business Forum

Helsinki 10-11 September 2006

Trade and Investment Liberalisation:
an EU Business Perspective

Growing business interest in Asian markets

- High growth potential
- Competitiveness in skilled and unskilled labour
- Strong high tech manufacturing
- Rapidly developing service sector
- Increasingly integrated markets

EU Business: A Partner for growth

EU Business can offer:

- Manufacturing technology
- World class services
- Big investment potential

Open trade & investment: essential to EU-Asian economic relations

- need to liberalise trade and investment
- need predictability for companies
- need non-discriminatory treatment

Still many trade restrictions limit FDI in Asia

- import restrictions that add costs to manufacturing
- export requirements limit local development
- export taxes and restrictions promote artificial development
- discriminatory FTAs hinder EU companies
- restrictions on distribution networks lower sales

Investment restrictions limit opportunities for growth

- Foreign equity caps prevent healthy competition
- Requirements to create joint ventures limit technology transfers
- Restrictions on private property increase risks

Discriminatory treatment discourages EU investors

- Discriminatory taxation harms investors
- State controlled finance/banking leads to inefficiency
- Disproportionate equity requirements reduces financial services development

Protection of investments is insufficient

- Inefficient legal systems add risks
- Restrictions on profit transfers are exaggerated
- Weak enforcement of IPR is rampant in the region
- Theft of commercial/industrial secrets is a major issue

Pro-business regulations should be the norm

- Some countries suffer from weak economic governance and corruption
- Insufficient or reversal of services liberalisation commitments limit opportunities
- Excessive prudential or public service requirements limit access to quality services

Opportunities for improvement

- EU-ASEAN FTA
- EU-China economic agreement
- EU-Korea?
- EU-Japan?

What to address?

- Barriers to goods
- Services and investment liberalisation
- Regulatory cooperation

How far should the EU and Asia go?

- All industrial goods and services (negative list)
- Investment (market access and protection)

UNICE International Department

Contact details:

Adrian van den Hoven
International Relations Director
Tel. +32 2 237 65 24
Fax. +32 2 237 66 24
Email: rex@unice.be