

Dear Madam, Sir

COMMISSION IS ON THE RIGHT TRACK WITH TRADE AND COMPETITIVENESS

In reaction to the Friday 6 October editorial "*Beware the man with the bilateral plan*", European business feels that the Commission is pursuing the right approach by focusing on competitiveness in Trade Policy.

First, and contrary to what you write, the Commission's recently adopted Communication *Global Europe* reaffirms the EU's commitment to conclude an ambitious WTO Doha round as rapidly as possible. Business applauds the commitment to Doha as well as recent EU-US diplomatic initiatives to try to restart a trade deal which will provide *economic gains greatly outweighing any FTA, covering tariffs, services, trade facilitation and non-tariff barriers*. European business will *therefore* be stepping up the pressure on Commissioner Mandelson and WTO Director General Pascal Lamy to get the round going again at its 17 October "UNICE Day" where the WTO negotiations will be a central theme.

Second, you are right to raise concerns over the risk of a "*spaghetti bowl*" of bilateral trade initiatives but at least the approach put forward by the new Commission strategy promises to address the errors of the past by increasing the coverage of future EU FTAs to cover "*substantially all trade*" as required by the WTO and to ensure that bilateral negotiations will not drag on forever. *UNICE demands that FTAs should be negotiated on their economic merits*.

Third, the Commission has finally recognised the need to tackle complex non tariff barriers (NTBs) including IPR and access to raw materials in a coherent Market Access strategy. You rightly point out that third countries sometimes consider the EU's excessively burdensome regulations – such as REACH – to be NTBs – a point which the Commission also (very courageously) recognises in its own strategy. We hope that this will encourage the Commission will take a more open, transparent and non-discriminatory approach to future regulations and that it will at least examine the external competitiveness impact of new regulatory proposals.

Fourth, it is time for the EU to redefine its trade relations with China by addressing the enforcement of agreed trade rules. Major industrialised economies have a share of responsibility for the global trading system and China must play its part.

Fifth, although we are not certain to agree with everything done by the EU in this field, business is prepared to debate EU trade defence legislation. We believe that the basic principles of transparency, predictability and solidarity should be upheld when dealing with dumping or unfair subsidisation.

To conclude, we firmly believe that the new trade and competitiveness strategy put forward by the Commission – and in particular the commitment to the Doha Round – is a genuinely positive attempt to push forward the EU's Growth and Jobs strategy. The real challenge for the EU will be to deliver on the WTO, open bilateralism, NTBs, China and effective, yet transparent, trade defence. European business will play its part to support a trade policy that contributes to the Europe's international competitiveness.

Signed by:

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