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BUSINESSEUROPE PRESS CONFERENCE: EU AND INTERNATIONAL RELATIONS: A CASE FOR EUROPEAN BUSINESS

ADDRESS BY MR ERNEST-ANTOINE SEILLIÈRE,
BUSINESSEUROPE PRESIDENT

- Ladies and gentlemen of the press, thank you for participating in our monthly BUSINESSEUROPE press conference. Today I would like to focus your attention on a number of international issues which are at the top of the current agenda.

I. THE DOHA ROUND

- The Doha Round of WTO trade talks remains the number one priority in the international sphere for European companies. BUSINESSEUROPE is pleased with the meeting in Delhi last week, where the major players in committed to redouble their efforts for an ambitious conclusion of the Round in 2007.
- However, the continuing failure of negotiators to reach a breakthrough on the core issues of industrial goods, services and agriculture is a serious concern. European companies urge all participants in the talks to make a deal now.
- But business will not be able to accept any deal. For industrial goods:
 - The DDA must include an ambitious tariff-cutting formula so that no tariff in emerging countries is above 15% at the end of the Round;
 - It must effectively address non-tariff barriers.
 - On top of this, the Round should also provide for sectoral tariff elimination where appropriate.
- In services:
 - The Round must deliver new market access for our services providers as well as
 - Providing legal certainty for companies by binding currently open services markets in the WTO.
- Finally a binding, reviewable agreement on trade facilitation is needed to remove the barriers companies face due to poor administration of customs procedures.
- European companies continue their intense work in support of the Round:
 - The business community has made its views very clear in public statements and events and through private meetings with European and international decision-makers.
 - We are also in close contact with our business counterparts in major WTO partners, supporting their efforts to achieve results.
 - However, we are also clear in our message that it is now up to negotiators to deliver the open markets that business needs to thrive in the twenty-first century.



II. TRANSLANTIC ECONOMIC RELATIONS

- BUSINESSEUROPE fully supports the so-called Merkel initiative on transatlantic economic relations. Business has welcomed all past initiatives to remove economic barriers between the EU and its largest trading partner. But we feel that this summit must now agree a step change in our approach to the relationship, firstly in how it deals with regulatory cooperation:
 - Differing regulation in a wide range of products (such as chemicals, cars and food products to name some examples) creates real costs to companies.
 - Transatlantic approaches would address these and go a long way to helping establish global regulatory frameworks.
- Our second priority for the EU-US summit next 30 April is the establishment of concrete cooperation to ensure an open investment climate. Investment by EU and US companies in each others markets is the foundation of the transatlantic economic relationship: Employment by EU and US subsidiary companies currently accounts for 14 million jobs in the transatlantic market.
- However, BUSINESSEUROPE has been concerned by the rise of protectionist sentiment surrounding investment issues in recent years in Europe and the US. Fighting national protectionism is one of BUSINESSEUROPE's core goals so we believe governments must take steps to ensure that such rhetoric does not endanger this asset to our economies.
- Philippe de Buck, BUSINESSEUROPE Secretary General, will be in Washington next Monday, as we have some clear expectations from the EU-US Summit.
- BUSINESSEUROPE has been closely following the progress of this initiative, in cooperation with the US Chamber of Commerce in Washington and, of course, the BDI, BUSINESSEUROPE's German member. Together our organizations will hold a public meeting with Chancellor Merkel in Washington DC on April 30 in the afternoon. Philippe de Buck will participate in that event with Mr. Thumann and Mr. Donahue.
- BUSINESSEUROPE will also participate in meetings around the summit organized by the Transatlantic Business Dialogue and meet bilaterally with other business counterparts.
- I would also add that BUSINESSEUROPE is very pleased with the focus on the transatlantic economy that has been shown in the lead-up to the summit on Monday.
- We believe that this negotiation has represented a sincere effort on behalf of Chancellor Merkel, President Barroso and President Bush to establish a new framework to deal with transatlantic economic issues.
- What is crucial now is to get any new structures up and running as soon as possible to start delivering results. BUSINESSEUROPE will certainly play its part in keeping the focus on these issues in the coming weeks and months.



III. TRADE DEFENCE and ANTIDUMPING

- **Trade defence** is a sensitive issue. Even though it only affects a small percentage of EU trade (1-2 per cent), its direct impact on markets raises a lot of business interest. With regard to current discussions on possible reforms, BUSINESSEUROPE is following the issue very closely. There are two key points missing from the debate in our opinion:
- First, there is a link between competitiveness and trade defence measures for some industries that are essential for the overall EU industrial value chain. Due to difficult-to-solve problems such as dual pricing of energy or restrictions on raw material exports by third countries, some industries like chemicals or non ferrous metals have no other way to level the playing field.
- A second point is the need for predictable trade defence investigations and decision making procedures. Without this, neither industry nor importers will be able to plan their investments. Consequently, there may be a need for clear guidelines regarding investigations. BUSINESSEUROPE is prepared to examine that issue with Commissioner Mandelson.

IV. MARKET ACCESS STRATEGY

- Finally, I would like to address the Commission's review of the **EU Market Access Strategy**. As stated at the launch of the new communication last week, European companies face new and complex trade and investment barriers and distortions. The new strategy must deliver results for business by facilitating market access in our large trading partners – such as the US and the high-growth emerging countries like China, Russia, India and Brazil.
- As Philippe de Buck, BUSINESSEUROPE Secretary General mentioned recently in a press conference, BUSINESSEUROPE encourages Commissioner Mandelson to act more often as the EU Ambassador for Market Access around the world.
