



Shape globalisation and fight all kinds of protectionism

“To remain globally competitive, the EU must lead in market opening and combating protectionism”

BACKGROUND

Eu leadership in international trade and investment

1/5th of global trade	€2 trillion in global trade in goods	€800 billion in services trade	€150 billion in annual FDI outflows
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The EU's global leadership position in trade and investment is driven by the international competitiveness of European companies. With the sharp drop in international trade due to the global recession and rising protectionism, the EU must do more to promote strong international trade and investment rules for EU companies. An open approach to regulatory cooperation and foreign investment will improve international coordination to combat the recession, help attract investment and make innovation in Europe flourish. To restore trade flows, maintain its leading exporter position and address the competitiveness challenge from emerging countries, the EU needs to strengthen its common commercial policy to better promote the principles of free trade and investment based on reciprocity in market opening.

Multilateral leadership

A united strategy in multilateral institutions like the WTO enables Europe to display strong leadership to promote open, rules-based trade and investment and to oppose rising protectionism. Multilateral trade negotiations remain the most effective and efficient route to fight protectionism and increase growth-generating trade liberalisation. The EU should therefore press for the rapid conclusion of an ambitious Doha Development Agenda (DDA) by focusing on the three priority issues for Europe: industrial market access (tariffs and non-tariff barriers), services liberalisation and trade facilitation. The WTO also needs better rules to prevent abuse of anti-dumping, more stringent anti-subsidy rules and improved dispute settlement procedures to enforce the rules.

A Transatlantic Single Market

The Transatlantic Economic Council (TEC) should take a leading role in facilitating coordination between the US and the EU on combating the global recession and financial crisis as well as decisive steps towards creating a barrier free transatlantic market. BUSINESSEUROPE will continue to push for significant convergence and the removal of barriers in the fields of intellectual property rights (IPR), trade and security, financial regulation and accounting standards and industrial regulations. Based on its experience with the TEC, the EU should become a leader in developing models for advancing regulatory convergence worldwide.

Real market access in bilateral free trade agreements (FTAs)

To grow, EU companies need to expand market share in major export destinations. Therefore, the EU should sharpen its bilateral strategies to reduce or eliminate tariffs and non-tariff barriers and to open markets for services and investment. Special attention should be paid to achieving substantially increased market access and improved legal security for EU companies in the large emerging countries (China, India, Russia and Brazil). New EU trade and investment agreements with Korea, India and ASEAN should address trade in the broadest sense by focusing on market access for goods and services, public procurement, IPR and investment, by addressing trade facilitation and recognising the EU's need for resources and skilled business personnel. Once ratified, the EU will need to ensure full implementation of FTAs to guarantee that EU companies will actually benefit from new business opportunities.

A pro-active investment policy

BUSINESSEUROPE supports a pro-active policy on international investment rules to create new opportunities for European companies abroad. National and EU debates on foreign investment must therefore avoid the introduction of clearly protectionist and disproportionate restrictions on foreign investment – because of security or other considerations – which would undermine the EU's ability both to negotiate open international investment rules and to attract international investment. The EU must forcefully address the introduction of non-discriminatory rules applied that threaten EU investments in third countries.



An ambitious raw materials strategy

Securing a level playing-field for access to raw materials is a high priority for Europe's diverse industries. The EU needs a coherent strategy to tackle restrictions, taxes and other government distortions that undermine global trade in raw materials, to remove internal EU barriers that effectively reduce industrial access to raw materials at competitive prices and to make better use of foreign and development policy to encourage sustainable access to raw materials in resource-holding countries.

Support for SMEs to go global

SMEs face big challenges as they become international because of the higher financial and legal risks associated with international trade and investment. The Commission must do more to support the internationalisation of SMEs through the renewed Market Access Strategy and specific programmes and institutions like the proposed "European Centre" in Beijing to help SMEs tackle legal issues such as IPR and investment problems.

Sub-priorities:

-  Conclude an ambitious WTO Doha Round
-  Open new markets through bilateral trade and economic agreements