



## SPEECH

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### **MARKET ACCESS SEMINAR: “THE MARKET ACCESS PARTNERSHIP – WHAT DO YOU EXPECT AND HOW CAN YOU CONTRIBUTE?”**

### **PLENARY SESSION: “THE MARKET ACCESS PARTNERSHIP – ONE YEAR OF IMPLEMENTATION” BRUSSELS, 4 JUNE 2008**

### **ADDRESS BY PHILIPPE DE BUCK, BUSINESSEUROPE SECRETARY GENERAL**

Ladies and Gentlemen:

I am very pleased to be here today and would like to thank very much the European Commission for the opportunity to share with you our experiences with the new EU Market Access Strategy. We appreciated very much this new initiative when it was launched last year. We gave the European Commission our support for the implementation. The Market Access Partnership is an excellent example of what we can achieve when the business community, the European Commission and member states closely cooperate together.

Representing 39 member federations from 33 countries, we have fixed at BUSINESSEUROPE six main priorities. One of them is the promotion of a rules based, international trading system as we have to shape globalisation and fight all kinds of protectionism.

#### **1. The new Market Access Strategy: BUSINESSEUROPE’s experience**

What have been our experiences with the new market access strategy? It was launched in April last year. The European Commission was committed to install a more structured, effective and dynamic strategy to tackle trade and investment barriers in international markets. We appreciated a lot that such a strategy aimed at resolving concrete problems businesses face. It should also facilitate market access for European companies around the world.

So how do we see it one year later? Let me say that we have been pleased with its implementation. This new structure has been a success. There are some teething problems. But this is normal in such a broad strategy which involves so many partners from the Commission, member states and business.

The first challenge has been the priority setting. This meant to give to the Commission the necessary justifications that a specific issue was sufficiently important to be tackled. This has also been a challenging task for us. Finding the necessary and convincing information was not always easy. It was also difficult to involve adequately industry representatives abroad.

As soon as this task had been accomplished and the case was made, the European Commission has been very efficient in putting into place the right channels. The cooperation and process integration between DG Trade and DG Enterprise worked well. A good example for this was the dealing with pharmaceuticals. We furthermore saw strong engagement by many Member States. Of course, those having affected industries in their home markets showed more engagement than others. Last but not least, we also participated in the monthly meetings of the Market Access Advisory Committee. Those were very useful and instrumental to guarantee the constant exchange of views and information between business, Member States and the Commission.

An interesting element was that individual barriers to trade and investment were raised at the highest level during official visits to third countries. When the revised strategy was launched, I asked Commissioner Mandelson to act more often as the EU Ambassador for Market Access around the world. I think he was pleased with his new title. At least he took his "new duty" very seriously.

Ladies and Gentlemen, this has all been positive. I would like to congratulate the Commission. Now we have to see where the strategy needs to be improved.

2. Further improvements of market access:  
Which are the paths to follow?

The objective of improving market access must be pursued at all levels. This includes also multi-lateral and bilateral negotiations. I will say later some words on them.

We should not forget that there are other means to tackle market access barriers. In that perspective I would like to mention the use of the trade barriers regulation which can serve business to access the WTO Dispute Settlement Understanding. With about only one single case per year, this possibility has not yet been exploited.

But let me come back to our main discussion today: it is, in any case, better to solve disputes at a diplomatic trade level before going into dispute settlement mechanisms. And the Commission's market access strategy provides the right framework to follow that path.

Let me outline some issues we would like to see improved. We also have some questions about its future evolution.

1. Firstly, there needs to be more information sharing instead of simple reporting. This means a more pro-active approach to this issue.
2. Secondly, the network between member states could still be improved. It is necessary that all member states participate in the different working groups. On the spot, the Commission's delegations and Embassies of EU member states represent a significant diplomatic force. This is a huge strength which has to be more mobilised. It would allow the EU to speak even more "with one voice".
3. Thirdly, the market access strategy has to be adapted to changing circumstances. Due its success, it is very likely that much more new cases will come up in the future. However, we cannot afford to have a bottleneck at one point of time. What criteria will the Commission therefore apply when selecting future cases? We support better prioritising to make the best use limited resources.
4. Finally, we would also like to see Commissioner Mandelson to make better use of business when making visits to third countries. EU business leaders would like to join the Trade Commissioner on these trips to work hand-in-hand at removing barriers and opening new opportunities. This is a normal practice in EU member states and it would probably help the Commission to address market access problems more effectively. We would also like to see business more involved when the Commission is receiving delegations from third countries in Brussels. It would allow business to express its concerns directly.

But we should also work by other means instead of tackling obstacles individually by a case-by-case approach. We should try to avoid them by setting clear frameworks.

3. Europe's access to foreign markets from a broader perspective: Where does Europe stand in its multilateral and bilateral trade negotiations?

It is therefore that we are a strong supporter of the WTO. We are aware of the crucial importance of the rules based trading system. It seems that we are now truly coming up to a make-or-break moment, mainly due to the upcoming US elections. The Doha round outcome will set the terms of international trade for the next 15-20 years, and therefore must take a forward-looking approach. It must deliver real new market access for industrial and services alike.

For industrial goods more specifically, the WTO should not give a carte blanche to emerging countries to shield whole sectors – including cars, chemicals or textiles – from tariff cuts. The latest negotiating text of May 19 is worrying in that regard and needs to be improved.

There has also so far been given insufficient attention throughout the Round to serious and comprehensive efforts to eliminate non-tariff barriers. In the Doha round there are currently a lot of discussions about tariff reductions, but we must also be aware that harmful regulations and diverging standards will be the next generation of barriers to trade. As I expressed before, the Commission is doing a good job in dealing those issues within the market access strategy. But we should also work to tackle these problems at the multilateral level, in order to avoid having very time and resources consuming negotiations at the bilateral level. For that reason, BUSINESSEUROPE attaches highest importance to tackle those questions in the WTO framework.

Where do we stand in the bilateral negotiations?

We support the EU's strategy of market opening through free trade agreements. But these negotiations must deliver real results for companies on the broadest possible range of subjects: market access for goods, services and investment and new robust rules on customs procedures for example.

Korea is the most advanced negotiation. Needless to say that we insist on real progress to be made on the non-tariff barriers to European exports. This concerns automobiles, pharmaceuticals and consumer electronics.

India is moving disappointingly slowly. India has declared an important number of key EU industrial exports – in chemicals, pharmaceuticals and textiles for example – to be 'sensitive' products. Therefore they would not be fully liberalized. This is not an acceptable basis for negotiation. We are also concerned about India's reticence on services and public procurement.

European companies are concerned that ASEAN negotiations are moving at a very slow pace due to a very defensive approach by key members such as Malaysia and Indonesia. We support the idea of moving ahead if possible with a smaller group of countries to avoid the process being permanently stalled.

BUSINESSEUROPE also supports the agreements being negotiated with Latin America and in particular calls for the relaunch of the long-stalled EU-Mercosur agreement.

Ladies and Gentlemen, I would like to conclude. As you could see, improving market is a top priority for us. This needs action at several levels. The new market access strategy has been a good start and we should continue our cooperation for its best implementation, business and policy-makers together. Thank you for your attention.