

## NOTE

30 September 2008

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SUBJECT : 30 September Meeting with Vice-President Verheugen

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**Objective:** Highlight BUSINESSEUROPE views on Transatlantic relations, Russia, Raw Materials.

### 1. BUSINESSEUROPE Conference on Global Competitiveness: 28 October 2008

- The conference will offer business views on key policy areas to be improved to boost international competitiveness: trade policy, raw materials strategy, better regulation, climate change, innovation and macro-economic imbalances.
- **We expect Mr Verheugen to make a speech on key issues of export competitiveness that are under his remit** (regulatory cooperation, better regulation, raw materials, some aspects of climate change, competitiveness policy, etc.).

### 2. Transatlantic Relations

- We strongly approve of the 16 October meeting as a step toward **maintaining the TEC through the transition to a new US Administration.**
- We expect progress on the following issues: 1) suppliers' declaration of conformity, 2) accounting standards, 3) investment dialogue, 4) energy sustainability and 5) 100% scanning requirements.
- On process, we would like to see the Transatlantic Legislators' Dialogue play a bigger role in the process by having responsibility to solve a parliamentary regulatory problem like 100% scanning.
- We would also like to see the consultative group play a bigger role and recognize the participation of the US Chamber and BUSINESSEUROPE in the process.

### 3. Relations with Russia

- The Georgian-Russian war, compounded with the international banking crisis, has affected EU-Russian commercial relations and is increasing risks for companies investing in Russia. BUSINESSEUROPE supports the EU policy of firm engagement with Russia and Georgia to restore stability in the region.
- BUSINESSEUROPE regrets that the crisis could severely delay negotiations on the new EU-Russia Agreement. This could exacerbate current concerns over investment and trade risks and will be a serious loss for both EU and Russian business that need clear rules on trade and investment.
- Business also needs a clear signal that the Russian government remains committed to rules-based international trade and investment. Backtracking on already agreed WTO commitments would undermine business confidence and could permanently delay negotiations on a new bilateral trade and investment agreement between Russia and the EU.
- Mr Verheugen will speak at the next EU-Russia Industrialists Round Table meeting on 13 November, where **we need clear signals from the Russian government to restore investor confidence.**

### 4. Raw Materials

- Mr Verheugen will soon release a Commission Communication on Raw Materials covering: the extraction of materials on EU soil; rules regarding the recycling of materials; removing trade restrictions/distortions in global markets; including raw materials governance in development policy.
  - BUSINESSEUROPE will be very active in the debate on the Communication to press for an open and transparent market for raw materials in the EU and at the global level.
  - On trade matters, **it is time for the EU to adopt a more pro-active approach to remove distortions in global raw materials markets which are forcing companies to move factories to countries using distortions as industrial policy.** This will need to include recourse to:
    - a) Trade defense measures to restore a level playing field;
    - b) WTO dispute settlement targeting countries that violate their WTO accession commitments (e.g. China)
    - c) Substantial reform of the Trade Barriers Regulation which is a weak instrument for business.
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