« IS THE WTO A PRIORITY FOR EUROPEAN BUSINESS? »

REINHARD QUICK
VICE-CHAIRMAN OF THE UNICE WTO WORKING GROUP

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Strong support for the DDA

- Improve European companies’ access to world markets
- Make EU companies more competitive by increasing foreign competition in the Enlarged EU-25 Market.
What are the results of the DDA?

Cancun was a flop

- Opposition over agriculture & the Singapore Issues

Post-Cancun has reduced the DDA

- Goodbye investment, competition and transparency in government procurement
- No commitments from ACP countries in NAMA/Agriculture
What are the results of the DDA?

What’s left for business?

• Services?
• NAMA (in emerging markets, only?)
• Trade facilitation?
What’s Wrong With the DDA?
Too much politics

Favorite Topics in Geneva

• The EU: “Collective preferences”
• The US: Congress says no
• India: Just say no!
What’s Wrong With the DDA?
Too much politics

Favorite Topics in Geneva (con’t)

• Brazil: Agriculture but nothing else
• China: Everybody commit but me
• ACP: Save my tariff preferences
What’s Wrong With the DDA?

Too little liberalization

NAMA Negotiations up to now

• No ambitious tariff formula
• No commitment to sector liberalization
• Nothing on NTBs
• Exceptions for anyone who ‘cries’ about the ‘negative’ impact of trade liberalization
What’s Wrong With the DDA? Too little liberalisation

Agriculture: Strategic finger pointing

• The EU took 3 years to agree to eliminate/reduce trade distorting subsidies
• The US is no longer a leader on agriculture
• Developing countries rightly demand market opening but have little to offer in exchange
What’s Wrong With the DDA?
Too little liberalization

Services: why make an offer when you can do nothing?

• Close to 100 countries have not made an offer after 3 years
• Hardly any countries have made serious offers
• Does anybody (other than business) care?
What’s Wrong With the DDA?
Too little liberalization

Investment is the devil!

• Developing countries want more investment
• Developing countries don’t want an investment agreement
What’s Wrong With the DDA?
Not Enough Rule-Making

Anti-dumping: united as usual!

• Japan wants more rules
• The EU wants better implementation
• The US doesn’t want to talk about AD
• Improved Rules could bring real benefits to all countries
A warning shot to negotiators

BUSINESS CAN’T WAIT FOREVER!

In 3 years the DDA has:

• Dropped investment, competition and transparency in government procurement
• Made limited progress in agriculture
• Made no progress in NAMA, Services, Antidumping, or the rest
Is Bilateralism an alternative to the DDA?

**Targets for Governments:**
- Geopolitics
  - EU-GCC
  - India-Brazil
  - US-Morocco

**Targets for Business:**
- Economics
  - EU-US FTA?
  - EU-China FTA?
  - EU-Russia FTA?
How to save the DDA?

NAMA (more ambition is needed!)

- Reduce all tariffs to a maximum of 15% with a compression formula
- Bind all tariffs
- Possibility for sectoral negotiations
- A Strategy for removing NTBs
How to save the DDA?

Services

• Make an offer
• Tell us what you want from the EU (mode IV)
• Make an improved offer
How to save the DDA?

Start negotiating in trade facilitation!

- Everyone agrees: trade facilitation brings benefits
- Large traders should be able to make serious commitments
- LDCs are not expected to computerize overnight but to contribute
How to save the DDA?

Agriculture (the decisive issue!)

• Eliminate all forms of trade distorting subsidies in all countries
• Serious negotiations on non-trade distorting support
• Serious negotiations on market access
How to save the DDA?

Development

• Is SDT compatible with development?
• Do preferences help development?
• Is south-south trade necessary?
• Is the WTO a guarantee for development?
• The EU is prepared to open its market to the poorest countries – Is this enough?
How to save the DDA?

Start negotiating on the rest of the issues!

- We are committed to negotiations on all issues from the environment to anti-dumping/rules.
- European business is ready to liberalize, are you?
How to save the DDA?

Back to Basics

• Economic Rationale
• Don’t overload the agenda
• Politicization of issues
• Accept the rules-based trading system and comply with DSU rulings
Conclusion

Still no real alternative to the WTO

• Liberalization and rule-making
• The DDA must succeed for economic reasons
• The risks of bilateralism