

## **Part II**

### **Policy Statement concerning the World Trade Organization**

On the occasion of the 2005 annual meeting of the EU-Japan Business Dialogue Round Table (BDRT), business leaders from the European Union and Japan have adopted the following message:

1. The BDRT reiterates its strong support for the multilateral trading system and the DDA, which are crucial to bolstering international economic growth and helping developing countries integrate into the global economy.
2. The BDRT welcomes the progress in the WTO Doha Round achieved since the WTO General Council of July 2004 in Geneva successfully put the DDA back on track. The BDRT welcomes the EU and Japan taking instrumental roles in this, including their flexibilities shown on the so-called "Singapore Issues".
3. Having some concerns about future prospects, however, the BDRT calls on the EU and Japan to work closely together, and with other WTO Members, to ensure that the Hong Kong Ministerial Conference in December 2005 achieves a balanced and significant result in view of a rapid conclusion of the Round. The BDRT hopes that the General Council Meeting scheduled in July this year will reach the first approximation of the Hong Kong agreement which may provide a clear way forward in all areas.
4. On industrial products, the BDRT underlines the need to maintain ambition in terms of achieving genuine and substantial market opening. To that end, the BDRT supports the Swiss formula which reduces tariff peaks and high tariffs of Member countries. In addition, the BDRT would welcome sectoral initiatives that further liberalise trade by reducing or eliminating tariffs in sectors of interest to Member countries. While believing that special and different treatment for developing countries is an integral part of the modalities, the BDRT is concerned about the potential for excessive flexibilities to undermine our goal of achieving real market opening.
5. On services, the BDRT is particularly concerned about the current state of play. Services are one of the main pillars of the DDA, but so far progress in services negotiations has been slow, and they are lagging behind other negotiating areas. Services negotiations should match the level of ambition of other negotiating areas.

All WTO Members have an important stake in these negotiations and should contribute with substantial offers in services trade. Considering the place of this sector in the economy of developed countries, an increased access to the services market will offer new prospects to developing countries.

6. With regard to agriculture, which remains a key factor of the DDA, the BDRT reiterates the importance of achieving progress in the agricultural negotiations and encourages all Members to show the required flexibility to reach a balanced agreement.

7. The issue of geographical indications should also be elaborated in an appropriate manner.

8. The BDRT supports the development of an ambitious and specific set of rules on trade facilitation across all elements of the negotiating mandate. The BDRT recognises that the other Singapore Issues (investment, competition and transparency in government procurement) are not for negotiation in the DDA but underlines the importance of keeping them in the WTO. Other rules issues, such as anti-dumping, are an integral and important part of the DDA and need to be effectively addressed.

9. There is a need to continue to build on efforts to address developing countries' concerns, including with respect to capacity building, and to deliver results, including on market access, to ensure that Least Developed Countries participate actively in the DDA. All WTO Members should make serious efforts in this regard.

10. The BDRT congratulates the WTO Members on the choice of Mr. Pascal Lamy as the new WTO Director-General. With his strong trade background and qualifications, Mr. Lamy is well placed to build consensus and lead the WTO at this important stage of the DDA.

11. The BDRT encourages the EU and Japan to keep strong bilateral contacts and co-ordinate their positions closely on the DDA in order to help drive the DDA forward, recognising the significant importance of the negotiation resumption for a successful conclusion.