

**Recommendations  
of the  
EU-Japan Business Dialogue Round Table  
to the Leaders of the EU and Japan**

**Tokyo, 3-4 July 2008**

**Working Party 4  
Joint Statement on World Trade Organization**

1. The EJBRT has been a strong supporter of the WTO Doha Development Agenda (DDA) negotiations and calls upon political leaders in the European Union and Japan to continue their efforts for an ambitious and successful outcome of the Round. A successful Doha Round would strengthen the multilateral trading system which is crucial in a globalised world. The negotiations have entered now in a very critical phase. Due to the international agenda, this year's latter half will likely provide the last opportunity to conclude final agreement on the negotiation.
2. A successful Doha Round would also give the necessary answer to any protectionist tendencies. The EJBRT members, who are leading global traders and investors, are strong supporters of further expanding free trade within the WTO system. A successful Doha outcome must lay the ground for sustainable and powerful growth of the world economy in the 21<sup>st</sup> century. Therefore the final outcome must be balanced and include commitments by all the major players in a globalised world.
3. In particular, the EJBRT calls upon highly competitive emerging countries to shoulder their responsibilities as growing economic powers. The opening of the developed countries' markets have to be matched by significant trade liberalisation efforts from these emerging countries, providing real new market access for both developed and developing countries. The EJBRT is also concerned about the substantial increase in implementation periods for recently acceded members. We do agree that implementation periods can provide necessary flexibility for emerging economies, but these should not be so long as to negate the benefits of tariff liberalisation.
4. The EJBRT recalls that a successful conclusion of the Doha Round must include ambitious tariff liberalisation and trade facilitation results in several areas. This contains reduction or elimination of industrial tariffs, improved market access for agriculture products with reductions of trade distorting subsidies, and dismantling of non-tariff barriers and creation of a new horizontal NTB mechanism, vastly improved market access in the services area, and much better harmonised WTO rules on trade facilitation, anti-dumping and subsidies. The EJBRT notably calls for progress in the following key areas:

(1) Non agricultural market access (NAMA)

The EJBRT urges the Japanese and European authorities to strive for a substantial and real market opening for industrial goods. In particular, the EJBRT urges emerging economies to adopt ambitious coefficients based on the Swiss formula. The EJBRT is concerned that real liberalisation commitments by highly competitive emerging countries

will be thin on the ground because there are far too many loopholes for exceptions to trade liberalisation. European and Japanese businesses are in particular concerned about the increased flexibilities provided in the current negotiating text, which would give emerging countries the possibility to shield almost whole sectors from tariff cuts. In this light, European and Japanese businesses call for the inclusion of an 'anti-concentration' clause which would guarantee that countries cannot shield entire sectors from liberalisation.

The EJBDRT believes that industry-specific tariff elimination or reduction agreements among key willing sectors are essential to provide the significant market access improvements needed to spur trade growth and contribute to global economic development. However, the EU and Japan must also make clear that, in addition to OECD-countries, highly competitive emerging countries must participate fully in the sectoral process if it is to proceed.

On NTBs, the EJBDRT urges the European and Japanese authorities to strive for serious and comprehensive efforts to eliminate non-tariff barriers. Companies in the European Union and Japan attach particular importance to new rules tackling export taxes and restrictions and the creation of the enhanced and accelerated NTB mediation mechanism.

#### (2) Services

The Doha negotiations must give services negotiations their due place alongside the agriculture and non agricultural market access (NAMA) negotiations. Services negotiations are also one of the three pillars of market opening negotiation and should be given a higher priority in the WTO. The EJBDRT calls upon the European Commission and the Government of Japan to press for an ambitious result in the final outcome of the DDA negotiations. The EJBDRT urges the European Commission and the Government of Japan to make substantial progress during the Signalling Conference at ministerial level. WTO members are urged to agree upon providing new market access opportunities and binding current levels of market access for further liberalisation.

#### (3) Agriculture

Agricultural liberalisation is a further key component of the Doha Round. European and Japanese businesses consider that the prospects for liberalising farm trade and reducing trade distorting subsidies could not be better than they are today. The EJBDRT calls upon the European Union and Japan to use this ample opportunity to move boldly towards market-driven agricultural policies.

#### (4) Rules and trade facilitation

The EJBDRT emphasises the need to improve and clarify rules on trade remedy measures. Abuse of trade remedy measures such as zeroing is obstructing free trade. The EJBDRT urges the European and Japanese authorities to take leadership in developing predictable rules, to avoid undermining the effects of improving market access. On subsidies, we support stronger disciplines in areas such as dual pricing and below cost financing. Moreover, European and Japanese businesses recommend the successful conclusion of an ambitious and binding trade facilitation agreement (TFA).

5. The EJBDRT underlines that after seven years of negotiations it is now time to conclude the Round. However, European and Japanese businesses insist that support is conditional on negotiation of an agreement that truly liberalises trade among the major trading nations in a fair manner. A balanced deal means that both developed and emerging countries have to shoulder their responsibilities and commit to real trade liberalisation.

6. The EJDRT reaffirms its strong support to an ambitious and balanced outcome of the WTO DDA negotiations with real new market access for business. The EJDRT offers the support of its members and calls upon the European Commission and the Government of Japan to intensify their joint efforts in reaching a successful conclusion of the negotiations.