



Which EU strategy after Cancun ?

- Paris Chamber of Commerce's position paper -



CHAMBRE DE COMMERCE ET D'INDUSTRIE DE PARIS

Whereas failure of the ministerial Conference in Cancun, in September 2003, calls into question the World Trade Organization (WTO), the Paris Chamber of Commerce and Industry (CCIP) reaffirms its attachment to this institution which has already shown its effectiveness on the subjects traditionally assigned to it. Nevertheless some proposals "to optimize" its activity deserve to be formulated.

1. Multilateralism versus bilateral or regional agreements

After the WTO ministerial Conference in Cancun, any new bilateral trade negotiations should be announced with our partners in order to prove the EU engagement for the multilateral approach within commercial liberalization.

The CCIP suggests that free trade agreements should be signed only with geographical proximity areas.

For commercial reasons connected with the weak return of these agreements for the European Union and for political reasons connected with the need for qualitative development in particular in the Mediterranean area, it seems essential to reserve free trade agreements to geographical proximity areas to EU. That will serve interests of the largest number of companies

The current bilateral negotiations with countries or regions really serve EU interests only if they go beyond the commitments taken under the WTO.

They offer interest for the companies only if they help third regions to constitute themselves in integrated areas. It is important to help them to find others market alternatives than the European Union or North America which represent saturated markets regarding numbers of industrial and agricultural assets.

Accordingly, ***the CCIP wishes EU to :***

- ***undertake "WTO plus" agreements, in particular with the Mercosur countries,***
- ***condition free trade agreements to strengthened regional integration,***
- ***search for another type of agreements with its partners.***

For some regions, industrial or technological cooperation agreements probably should be deepened accordingly to the development level. For others regions, it can be more important to develop training about customs and trade negotiations. It can also be advisable to stress on university exchanges.

2. WTO reform

It seems unrealistic to put into question the consensus-based system. On what bases could a qualified majority set up? Such a decision would be politically indefensible while the new round stresses on "development".

Accordingly, ***the CCIP suggests to :***

- ***develop dialogue bodies which can facilitate a consensus within the WTO on the model of recent alignment between the WTO and UNIDO.***

The WTO cannot on its own do the work of all the international organizations. It is therefore less a recasting of the WTO which is needed than a general reflection on the overlap of the various organizations and a definition of their roles.

- ***frame the dialogue in the WTO in order to make it productive***

Since Seattle, the WTO has answered the NGOs' requests by improving transparency. Reflection is still necessary. The WTO is not a simple source of information - particularly improved in recent years - for the civil society and the developing countries. Information makes it possible to supply the dialogue, nevertheless, this last must be framed.

- ***implement a competition system widening the civil servants' number.***

The WTO comprises only 500 civil servants while the range of tasks is increasing. Moreover, the recruitment is done less on the competence than on the applicant's nationality in order to ensure the developing countries' representation.

3. Ways of discussion on “Singapore” subjects

Regarding the point of views' differences between developing countries and developed ones but also between industrialized countries themselves - a plurilateral agreement engaging only the signatory States probably should be sought for these new fields.

On the competition topic, the CCIP suggests to :

- ***encourage bilateral cooperation beyond regional agreements, providing reciprocity disposals,***
- ***frame this cooperation by adoption of a notification procedure,***
- ***promote a plurilateral competition agreement within the WTO.***

This agreement would exclude the competence of the Dispute Settlement Body and would encourage studies carried out by Trade Policy Review Mechanism.

On the investment topic, the CCIP suggests to :

- ***think about a plurilateral agreement for countries willing to,***

This agreement would thus approach the plurilateral agreements on government procurement or on trade in civil aircraft.

- ***seek by such an agreement consolidation of the legal provisions ("bottom up")¹ applicable to international investment.***

Applicable rules would be national treatment and most favoured nation clauses and the dismantling and *status quo* clauses.

4. Links between market access and rulemaking

It appears unthinkable to separate market access to the rulemaking. In addition to the tariff reductions, market access is limited by non-tariff barriers which can take the form of restrictions connected with environment or social rules. ***The CCIP suggests as follows:***

¹ On the contrary, a "top down" approach would consist in specifying that the freedom of investment is the rule except restrictions specified by the States.



- ***the continuity of the EU trade policy aiming to stress its bilateral agreements on the specific problems of trade rules,***
- ***a closer cooperation with companies by a reinforcement of the dialogue bodies and a broader consultation on the barriers they have to face and their expectations.***

5. WTO Dispute Settlement Body (DSB)

The trade disputes' analysis subjected to the WTO Dispute Settlement Body tends to show that companies are often in a unpredictable situation - in terms of periods and sanctions - which is unjustifiable since Member States act as "indirect lawyers" for the companies themselves. To remedy, the CCIP suggests to :

- ***allot a genuine judicial nature to the DSB***

The current ambivalence of the DSB nature, which has a political characteristic, but almost judicial competence, is not satisfactory. Clarification is necessary. Giving executory strength to the DSB decisions would increase foreseeability for the companies and would reduce the periods of setting in conformity and the risks of compensatory measures.

- ***answer the clogging of the DSB***

The confidence granted to the DSB increasing the number of complaints and these being increasingly complex, the panels should be professional full- times ones. The transparency increasing within the DSB procedures must concern only the parties to the dispute. Wanting to organize the non-official participation of third parts would only lengthen the deadlines.

- ***set up a summary procedure***

The DSB should be equipped with a summary procedure particular useful for antidumping affairs.

- ***envisage a preventive procedure***

The DSB should be able to be approached by any commercial threat examination request undergone by a State. A specific file on the subject should be made at the WTO in order to accelerate the trade disagreement's study when these last become concrete.

CCIP Reports on WTO negotiations

- Consistency of European trade policy with companies' interests - in the light of the relations with Latin America
Report of M. BUAT, 22 May 2003
<http://www3.ccip.fr/etudes/archrap/rap03/bua0305.htm>
- Reform of WTO Disputes Settlement Body (DSB) -
Proposals of the CCIP -
Report of M. DURANCE, 10 April 2003
<http://www3.ccip.fr/etudes/archrap/rap03/dur0304.htm>
- How take up the Doha challenges ? the example of the access to medicines in the developing countries
Report of Mrs. HERVIER, 13 February 2003
<http://www3.ccip.fr/etudes/archrap/rap03/her0302.htm>
- For improvements of European law of concentrations
- Reactions of the CCIP to the green Paper on the concentrations
Report of M. BLANC, 21 March 2002
<http://www3.ccip.fr/etudes/archrap/rap02/bla0203.htm>
- Negotiations on services at the WTO : interest of the French exporters
Report of M. DURANCE, 21 June 2001
<http://www3.ccip.fr/etudes/archrap/rap01/dur0106.htm>
- Reform of the World Trade Organization (WTO): which place for the French SMEs ?

Report of M. GODMER, 19 October 2000

<http://www3.ccip.fr/etudes/archrap/rap00/god0010.htm>

- How increase French investors' safety abroad ? For a reform of the conventional instruments
Report of M. PINON, 20 January 2000
<http://www3.ccip.fr/etudes/archrap/rap00/pin0001.htm>

Sites of the CCIP

<http://www.ccip.fr>

WTO, an organization which interests you

<http://www3.ccip.fr/etudes/omc/index.html>

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