

November 20, 2008

The Right Honorable Baroness Catherine Ashton
European Commissioner for Trade
200 Rue de la Loi
B-1049 Brussels Belgium

The Honorable Susan Schwab
United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Dear Commissioner Ashton and Ambassador Schwab:

We write to express our concern with the recent state of play in the World Trade Organization's (WTO) Doha Round. We believe that the global economy would benefit significantly from a near-term successful conclusion of the Doha Round that resulted in an ambitious and balanced outcome. We strongly encourage the participants of last week's G-20 summit to focus on such a Doha outcome as a central facet of their agreed work schedule. However, the unresolved issues in the Doha Round are complex, and the negotiating modalities must assure that commercially meaningful market access for all WTO members is the yardstick by which a successful Doha agreement is measured.

One way to reduce the number of outstanding issues and reach accord on modalities would be an ambitious outcome in negotiations on the sectoral tariff agreements that have already been proposed during the Doha Round negotiations. The G-20 summit participants should follow-up on their commitment expressed at the summit on November 15 by participating in major sectoral tariff negotiations. The G-20 nations represent well over half of global trade in those sectors, and a comprehensive agreement by all G-20 on sectorals would send a strong signal to the world that they are committed to economic growth and a rapid conclusion of the Doha Round.

In order for modalities to offer the promise of substantial market openings to the world, however, there will need to be additional reductions in tariff and non-tariff barriers by the advanced emerging countries like China, Brazil, and India. The current formula and flexibility proposals do not lead to enough market opening opportunities in many WTO members. However, broad participation in the sectoral agreements would reduce this gap as advanced emerging countries would take up their responsibilities and could not benefit as free-riders of a sectorals outcome.

We look forward to working with all WTO members on achieving final modalities that will lead to a successful conclusion of the Doha Round. A breakthrough on sectoral tariff agreements by the G-20 following the November 15 summit would go a substantial distance toward facilitating the conclusion of the Doha Round.

Sincerely,



Philippe de Buck
Director General
BUSINESSEUROPE



John Engler
President & CEO
National Association of Manufacturers