

Mr. David O'Sullivan
Director General
European Commission
DG Trade
170, rue de la Loi
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Brussels, 7 June 2007

Subject: ESF Views on “Communication Global Europe : A Stronger Partnership to deliver Market Access for European Exporters”

Dear Mr. O'Sullivan,

I refer to Commission Communication COM(2007)183 mentioned above. ESF would like first of all to thank the Commission both for their consultation of stakeholders during the development of this policy, and for the pragmatic approach that is now emerging, as was advocated by ESF and many of its members in response to the last year's questionnaire.

ESF would like to offer the following views on the latest Communication:

Although some progress has undeniably been made to pay greater attention to services in EU trade policy, the Communication continues to focus primarily on cross border trade in goods. ESF would welcome a clearer recognition of exports of services, which are a growing and positive part of the EU balance of payments. More importantly, the new strategy should do more to acknowledge the role of the European services companies doing business in third countries (through branches, subsidiaries & joint ventures) and operating locally. The support of EU trade policy is essential to increase market access and legal security for the operations of these companies. Even if only a small part of their activity is recorded in the traditional international trade figures, third country affiliates of European services companies make an important contribution to the EU economy and this should be clearly reflected in the EU's market access strategy.

ESF agrees on the need to strengthen the relationship between the Commission, Member States and business. We welcome the idea of regular trilateral discussions and, more specifically, the setting up of local Market Access Teams, involving the Commission delegations in third countries, the Member States embassies and the local European private sector. Although we have good relationships with European business organisations in many countries we would like to emphasise the need to involve, in a pragmatic way, EU business interests which do not have a local base, so as to reflect their particular problems and positions. We also see a need to increase commercial staff in

the Commission's delegations and for closer work and cooperation with their counterparts in the various EU Member States' embassies.

The "Market Access Teams" could help to provide early warning of possible difficulties arising from the activities of the various services sector regulatory bodies. We thus support the establishment of flexible dispute avoidance and a mediation mechanism through multilateral and bilateral negotiations.

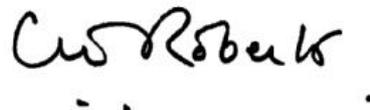
Furthermore, the EU should certainly facilitate the active participation of developing and developed countries in regulatory dialogues, not only in relation to goods, but also to the numerous services sectors (financial services, telecommunications, professional services, etc.). Such dialogues need to involve regulators at all levels, including at EU member states level and in some cases at sub-federal/provincial/regional level in third countries. It is disappointing for instance that the recently re-launched transatlantic partnership has limited its scope to the existing regulatory dialogue on financial services.

We welcome the announcement that the Market Access Database will be developed to improve its coverage in services. Such a tool, if properly documented, would be useful to EU services exporters, in particular SMEs, to get preliminary information on whether the market that they are targeting is open and under which conditions.

Finally, although we understand the need for prioritisation, we believe that it would be appropriate to establish "Market Access Teams" in least developed countries (LDCs) also. The Commission has, for political reasons, indicated that these countries would not need to take any or only few commitments in the services negotiations, either in the GATS or in the EPA negotiations. However, the essential exercise of identifying the barriers existing in these countries has not been done and several ESF members have indicated a need for more information on market access conditions. Many of the existing barriers hold back the growth and development of these countries.

We hope that these comments will be taken into consideration and remain at your disposal for any further information or follow-up.

Yours sincerely,



Christopher Roberts
Chairman
ESF Policy Committee

Cc: Mr. Petros Sourmelis, Head of Unit, DG Trade - , European Commission
Jens Schaps, Head of Unit DG Trade – G1, European Commission