

## PUBLIC CONSULTATION ON A FUTURE TRADE POLICY

### ESF comments

Following the 'Europe 2020' paper adopted by the European Commission on 3 March 2010, the European Commission is now launching a broad public consultation on the future direction of EU trade policy. This '[consultation issues paper](#)' is intended to set the scene for this consultation exercise. The paper raises a number of issues that are at the heart of the debate on EU's trade policy. The Commission's intention is to set out its policy during autumn 2010, explaining how trade policy can help achieve the objectives of the 'Europe 2020' Strategy.

The purpose of the present consultation is to gather views from relevant stakeholders regarding the rationale, scope and strategic objectives for a future EU trade policy. The consultation is open to all stakeholders within the EU and in third countries. Individuals, organisations and countries that wish to participate in the consultation process are invited to send their contributions.

The consultation will be open until 28 July 2010. The Commission services will prepare a report on the Consultation which will be published on DG TRADE's website. This report will provide a consolidated and anonymous analysis of input received through the public consultation and give an indication of how the Commission will take them into account preparing its future proposal to the Parliament and Council.

## 1. Introduction

The Lisbon Treaty clearly considers EU trade policy as an integral part of the Union's overall external action - and therefore it must address development, environmental and social objectives as well as contributing to the other objectives set out in the Treaty on the European Union:

*1. Now that the new Lisbon Treaty has entered into force, how can we best ensure that our future trade policy is coherent with the EU's external action as a whole and notably in relation to the EU's neighbouring countries? (optional)*

The European Services Forum (ESF) has welcomed the fact that the Lisbon Treaty has strengthened the competence of the European Union in trade in services and investment policy. The new role of the European Parliament in this field will further increase the credibility of the EU trade policy towards its main trading partners as well as towards the EU stakeholders.

The common commercial policy is now included within the framework of the common foreign and security policy. High Representative/Vice-President Catherine Ashton, who used to be Commissioner for Trade, will need to take into consideration the crucial economic component in the European foreign policy. As ESF wrote to President Barroso last November, it will be important to advocate that the new exclusive competence of the EU on services and investment policies will aim at granting full and effective market access to services suppliers through the European External Action Service whenever possible.

Such links should in particular be activated in the trade relationships with the EU neighbouring countries, like in the Mediterranean region where trade in services and investment negotiations are engaged as part of the on-going Barcelona process but where many trading partners do not seem ready to negotiate; or like in Ukraine or in candidate countries, where absorption and implementation of the European legislation in many services sectors should be further encouraged.

The principal focus of EU trade policy is stimulating growth, creating jobs and increasing prosperity for EU citizens. On 3 March 2010, the European Commission launched the Europe 2020 strategy which sets out a blueprint for achieving and securing smart, sustainable and inclusive growth. The Europe 2020 strategy acknowledges the important role that trade has to play in ensuring these ambitious objectives.

Over recent decades, the EU's prosperity has to a large extent been built on the internal market, economic integration between the Member States and open markets at home and abroad for trade and investment. However, Europe's prosperity is not only linked to its (open) internal market but also to the markets of other countries and regions, many of which enjoy much faster economic growth. Current

forecasts suggest that by 2025, the volume of trade could double compared with 2005, with a bigger share of exports coming from emerging market economies (more than 30 % as against 20 % in 2005). The EU may no longer be the world's largest exporter.

In today's global economy, production will increasingly be organised along global supply chains. They have become an important factor in ensuring competitiveness on domestic as well as global markets. Around two thirds of the EU's imports are inputs to other products. As a result, open trade helps embed local companies in global production chains, makes them more competitive and creates more jobs. Trade and investment flows are complementary, create jobs and promote transfer of technology. While people may be wary about the impact of all this on their job security and income, the crisis has clearly shown that protectionism is not an option. People are equally wary about the environmental impacts of the way we do business, for instance in terms of resource use and climate change. All major economies are today in the same boat; if one of them closes its markets or pursues unsustainable policies, all will suffer.

The global financial crisis and its effects on the real economy have underscored the importance of sound regulation and the need to avoid major global imbalances. Trade flows were dramatically affected, although protectionism did not spread as widely as feared thanks to coordinated international efforts in G20 and WTO. The current initiatives (both at EU level and as part of the G20 mechanism) envisage a number of solutions to prevent similar crises from happening in the future. They should be part of an integrated coordinated approach:

*2. Given the importance of boosting growth, creating more jobs and ensuring a more resource efficient and greener economy, how can EU trade policy help? What should the new trade priorities be in the light of the Europe 2020 Strategy? (optional)*

The European private service industries represent more than 55% of the EU GDP and more than 50% of all EU employment. The EU is by far the largest exporter and importer of services with more than 26% of total world trade in services (extra EU). International trade in services represents around 20% of the world trade and has great potential to grow strongly under conditions of freer market access. More importantly, 65% of all outward foreign direct investment by European companies (extra-EU) is invested in services sectors, and interestingly, more than 90% of all FDI coming into the European Union is invested into services sectors, thanks to our open, transparent, modern and secure markets.

Inward and outward investment and trade is essential to maintain competitiveness in the European Union and to sustain growth and employment in the European economies (see also Monti report on the Internal Market of 9 May 2010). It is estimated that 2 out of 10 jobs are related to international activities (jobs supporting international activities of EU firms, jobs created by foreign affiliates in the EU, etc.). Services now constitute the most dynamic, competitive element of the EU economy and have the potential to create even more growth and jobs provided EU-based services suppliers are granted full and effective non-discriminatory access to the markets of our key trading partners. 9 new jobs out of 10 are created in the services sectors. EU-based services suppliers, who thrive in open competitive markets, see as imperative that efforts are further made to dismantle market access barriers. Measures which will enhance predictability, legal certainty and transparency, are key to remain competitive. Development of the European services sectors is therefore crucial for the success of the Europe 2020 Strategy and these sectors represent a major offensive interest for the European Union's external trade and investment policies.

In this context, the rapid conclusion of the Doha Development Agenda must remain the major priority of the EU trade policy, and the ambition of the EU on services must be kept high and deliver commercially meaningful results.

To achieve such results, the EU must secure more ambitious offers than what is on the table so far. In order to consider the Doha Round a success, the EU services industry would need to see concrete follow through of promises made at the WTO Ministerial Signalling Conference of July 2008, a binding of current applied practice as regards market access and national treatment in the emerging markets as well as new liberalisation that will deliver concrete new business opportunities of commercial importance to EU companies in the crucial services sectors.

In particular, services suppliers need specific commitments that will enable them to supply freely on a cross-border basis, to invest without any equity caps and other restrictions that deny service providers their choice of corporate form, to operate without regulatory discrimination and to have recourse to open and transparent regulatory procedures.

ESF would like once again strongly emphasise that the services negotiations must no longer remain hostage to the stalled negotiations on agriculture and goods but should now proceed in parallel with these aspects and that offers on services should be made more visible to private sector so that their commercial significance can be properly evaluated.

While firmly committed to concluding the WTO Doha Round, bilateral free-trade agreements are another important policy tool to further increase export and investment of European companies in fast-growing markets like South Korea, India and South East Asian countries. The objectives adopted in the “Global Europe strategy” launched in 2006 must therefore be pursued. In particular, ESF strongly encourage the European Union, in the drafting out of the future trade policy, to maintain the focus of the policy on its economic orientation. ESF believe that the new trade policy should deal exclusively with trade and investment-related issues. The free trade agreements’ conclusion should not be linked to other, more political, issues (e.g. social, environmental and human rights). These issues should be dealt with through other tools like partnership and cooperation agreements.

## 2. Multilateral trade negotiations

Multilateral trade liberalisation remains our priority in the years to come because it avoids the costs of trade diversion and minimises transaction costs for a global round of liberalisation. The EU wants to see the Doha Round completed as soon as possible because the potential economic benefits are substantial for both developed and developing countries. However, the value of the WTO to the global trading system goes much beyond the Doha Round: Multilateral rules and trade liberalisation, complemented by a strong dispute settlement system, offer significant long-term gains and are of systemic interest to the EU as a leading trader:

*3. In addition to continuing to push for a successful conclusion to the Doha Round, how can the EU best pursue overall EU trade policy objectives in the WTO? (optional)*

ESF and its main counterpart in the Global Services Coalition have time and again said that a rapid completion of an ambitious and balanced Doha Round would be one of the most effective ways of boosting the international trade flows that are so vital to global recovery and prosperity. The European Union, as the first player in international trade and investment, must show leadership and take initiative in reviving the stalled talks, by persuading the key WTO Members that are also members of the G20, to come back at the negotiating table and make the necessary compromises that would lead to a success.

Further work on GATS rules and domestic regulation disciplines, although not all linked to the DDA, should continue in the WTO as a way to ensure a better understanding of the link between trade commitments and regulatory convergence.

Furthermore, parallel tracks for action within the WTO, should be considered. Early implementation of the trade facilitation package, while remaining part of the single undertaking, might be an option to explore. The actors ensuring the logistic of trade in goods are all services providers (all modes of transport, distribution and logistic services, customs agents, etc.) and would be keen to see progress there. Other new generation sectoral agreements could also be analysed, such as a Digital Economy agreement to build on the existing Information Technology Agreement.

In its updated trade policy, the European Union should clearly pass the message to trading partners who would not respect the multilateral rules system that it would not hesitate in using the dispute settlement system of the WTO, including in the services related sectors. Trade negotiations are about obtaining commitments. When these commitments are not implemented, immediate reaction must be undertaken to ensure the continuation of trust in trade deals. ESF wonder whether the extension of the use of the Trade Barriers Regulation (TBR) to the services

sectors would not be a mean to fight against unfair trading practices or lack of implementation of commitments. Better awareness by the private sector of this instrument should be spread.

### 3. Bilateral trade negotiations

After the adoption of the [Global Europe communication](#) in 2006, the EU launched a new series of negotiations leading to free trade agreements (FTAs) with fast-growing economies, including for example Korea, India, Singapore and Vietnam. Negotiations with Mercosur were recently re-started. The negotiations between the EU and Korea have now been concluded while others are still ongoing, offering the prospect of important economic gains for the EU.

FTA negotiations have also been launched with Canada. Although Canada was not mentioned explicitly in the [Global Europe communication](#), an FTA would clearly accord with the objectives for FTA negotiations which were set out in [Global Europe](#).

DG TRADE's website contains more information about [ongoing FTA negotiations](#). Furthermore, trade negotiations have been completed with Central American and Columbia and Peru:

#### *4. Do our current FTA negotiations provide the right geographic and substantive focus for our bilateral trade relationships in the context of the Europe 2020 strategy? (optional)*

##### 1) Current FTA negotiations

The European Services Forum has supported the “Global Europe Strategy” of 2006, aiming at engaging in bilateral trade negotiations in parallel and complementary to the multilateral negotiations in the WTO. We believe that there is a need to strengthen bilateral trade and investment with some key trading partners, and that this should not diminish the value of the commitments taken at the WTO. Furthermore, a large number of Free Trade Agreements across the world has been signed in the last decade and the EU companies have been left behind the various trade preferential regimes. And where the EU has signed some FTA or association agreements in the past, only two of them have dealt with trade in services. There is now a need to catch up so as to enable our businesses to be treated in a similar manner to their major competitors in foreign markets.

Bilateral FTA negotiations should focus on key trading partners and emerging markets with current or potentially important trade flows with the EU. The aim should be to conclude ambitious agreements including the areas of trade in services, on investments, on intellectual property rights and government procurement. The EU should negotiate ambitious agreements with willing trade partners. The European Services Forum shares the view with other business organisations that long drawn-out discussions that have little hope of conclusion should not be pursued. If no progress is being made, negotiations should be re-evaluated, for instance with Euromed and Gulf Cooperation Council countries. ESF supported the move made by the European Union to swiftly and smoothly change the negotiating mandate with the Andean Community region and negotiate bilaterally with the willing partners, Columbia and Peru. This unlocked the blockage and allowed conclusion of two FTA negotiations. ESF urge the European Union institutions to quickly ratify and implement these treaties. The EU should be ready to make necessary adaptation to existing or future negotiating mandates towards better and quicker results.

ESF is following closely the current bilateral trade negotiations and has already provided the European Commission with the sector specifics list of barriers and priorities in the major talks that are FTA with India, Canada, Singapore and will look in details at the negotiations with Mercosur, Ukraine, Vietnam and any other willing partners among the ASEAN members.

##### 2) Other potential geographic focus

The negotiation of an **EU-USA** FTA comes out on regular basis in trade policy circles, but the current lack of political commitment towards trade policy would be a serious impediment. Would such an FTA of interest to the European services sector? A “services-only FTA” between the two blocs has also been mentioned, including by members of the US congress. A proper political analysis would first be required. Regulatory dialogues in the services sectors should be initiated in

the meanwhile (see below).

**China** is not willing to engage into FTA with the EU, although the European Services Forum would be very interested in such negotiations. However the two parties have ongoing negotiations on a comprehensive Partnership and Cooperation Agreement (PCA) that started in January 2007. These negotiations should provide the opportunity to further improve the framework for bilateral trade and investment relations and also include the upgrading of the 1985 EC-China Trade and Economic Cooperation Agreement. ESF calls for concrete results for the services sectors in these talks, notably through the investment chapter, in the light for the new EU competences in this field (see section 5 question 9 here below).

**Russia** WTO accession and consequently bilateral trade negotiations with the EU are stalled. The Services Chapter of the EU-Russia bilateral agreement in the framework agreement signed in 2004 was far reaching but is still not yet implemented. The Russian Federation is one of the most important trade in services partners of the European Union — third on the export side (4 % share) and fifth in imports (3 % share). In 2008, EU exports to Russia amounted to € 21.3 bn and imports to € 13.9 bn. The EU has a considerable and persistent positive balance in trade in services with this country (€ 7.4 bn in 2008), but this surplus should be much higher should the barriers be removed or reduced. The deep economic recession in Russia has reduced medium-term growth expectations and increased regulatory risks. Russia has adopted a number of trade and investment measures to shore up its companies in the wake of the crisis – often to the detriment of EU firms. ESF urged the European Union to do its utmost efforts to encourage Russia to join the WTO as early as possible. The future trade policy should consider Russia as a top priority for the European Union in the coming years.

**Japan** is also a very important importer of EU services (rank 5 - import € 19.6 bn, with EU net surplus of € 4.7 bn in 2008) but many sector specific regulatory barriers continue to impede foreign services business in that country. Japan expressed the wish to negotiate an EU-Japan Economic Integration Agreement (EIA). Many services sectors might gain out of a balanced agreement. However, Japan needs first to provide real political commitment to deliver concrete results in all sectors of the economy, including in the services sectors. Many regulatory dialogues or technical discussions between the EU and Japan have taken place for years without any delivery. A large number of concrete issues with reachable objectives without the heavy machinery of a FTA negotiation have been identified by the EU-Japan Business Round Table but with no move at all. As said earlier, a serious assessment of the counterpart political willingness towards far reaching commitments including in services sectors should be made before the launching of any new trade negotiations.

**Taiwan's** decades of strained, often hostile, relations with mainland China have isolated the island diplomatically and economically. But since 2008, a major rapprochement across the Straits is underway. Late June, both sides signed a trade agreement, the Economic Cooperation and Framework Agreement (ECFA). This recent cross-Straits agreement will make it easier for Taiwan to sign FTAs with other trading partners, including the European Union. An FTA with Taiwan would no doubt boost some services sectors like ICT, telecommunications, financial services and transport and environmental services. The recent reforms undertaken by Taiwan government in various services sectors should give to possible negotiations a positive tone. The European Services Forum would favour an assessment for such FTA.

The total blockage of the regional trade negotiations with the **countries of the Gulf Cooperation Council (GCC)** has created many frustrations towards many members of the European Services Forum, given that negotiators have been able to go quite far into services schedule of commitments, but these efforts have apparently been made in vain. ESF would therefore like to encourage the European Union to envisage separate trade negotiations with individual GCC countries with those which would be willing to do so.

Furthermore, taking into account the European service companies' presence in South, East and West **Africa** and considering the intense activity of other emerging global players in this area, we

believe it is urgent for the European Commission to develop a new action plan for its trade policies in the African continent. Africa, with important potential economic development in future decade will inevitably be an important trading partner. Trade Policy is a slow delivering process that requires long-time in advance planning.

Over the last decade, the EU has also consistently engaged with its major strategic trading partners (such as the US, Japan, China and Russia) in regulatory dialogue and other forms of economic and trade cooperation. Our economic weight, notwithstanding current conditions, makes the EU an attractive partner for many countries, but this has not always translated into real progress in terms of a level playing field for EU companies, or new opportunities to do business and invest in these important markets:

*5. Should the EU now try for closer economic integration and cooperation with such partners? What is the best way to further facilitate trade and investment, overcoming regulatory differences that may have the effect of barriers to trade and deepening our trade relationships with these important economies? (optional)*

#### 1) EU Regulatory Dialogues with Key trading partners (US, China, Japan)

The Transatlantic Economic Council (TEC), established between the EU and the **United States**, is an instrument that seems to be promising. ESF welcomes the fact that the TEC has come back under the competence of Directorate General for Trade, but strongly recommends close cooperation with Directorate General for Internal Market and Services on services related issues. The Financial Services Regulatory Dialogue, involving administrations and competent regulators from both sides, is an example that could be spread out in other services sectors and with other countries. These dialogues however should lead to effective results and operational decisions, and not only to talks as there are many instances where differing applications of regulation which supposedly have the same basic purpose inhibit or even prevent effective market access.

Similarly, the High Level Economic Dialogue (HED) that has been put into place between the EU and **China** is a welcome approach, provided that it will lead to more than exchange of views and political discussions. Nearly all services sectors have regulatory issues in China, and proper dialogues should lead to better mutual understanding. The establishment of an “early warning transparency system” where each party informs the other one of a planned modification of sector specific regulation should be proposed. The HED should also be a venue to express all kind of concerns between the parties. The Chinese “National Indigenous Innovation Policy” is an example where the risk of kicking out of China public procurement market all European companies in a list of important economic domains. And this threat was made at a time where the European market for public procurement is fully open to foreign suppliers, including those from China which benefit unfairly from state subsidised funding and other non-transparent advantages that enable them to seriously undercut European-based suppliers in the European market. Such issues should be tackled at the HED, and China should strongly be encouraged to join the Government Procurement

The European Services Forum strongly supports the Regulatory Dialogues initiatives and invites the new Commission to pursue its efforts in engaging these dialogues to bear concrete results, and to create new regulatory dialogues with these countries in other services sectors, where the competent regulators often cover a territory different that the national level, but should however be fully engaged in these dialogues so as to make them efficient. These expectations are also valid for the regulatory dialogues with Japan, India and Russia when established.

#### 2) Market Access Strategy to focus on services regulatory barriers:

The European Services Forum welcomed the revised DG Trade Market Access Strategy and the larger association of business representatives in this very important work. The progressive establishment of the Market Access Teams in the key countries must be reinforced and further involve systematic cooperation of business and member states representatives. More importantly, the Market Access Unit and the various teams abroad must focus more on regulatory barriers that hamper the activities of the services companies, so as to monitor them and coordinate efforts aiming at their removal or their softening.

Regulatory differences are nowadays often a more important source of trade hindrances than tariffs, especially between developed countries, with low tariffs but sophisticated regulatory systems resulting in additional compliance costs for cross-border activities. Reducing these costs can generate significant trade and economic benefits. In today's world of global production chains, increased regulatory convergence at global level, for instance through the promotion of international standards or by other means such as the development of mutual recognition/equivalence of regulatory systems may help EU companies do business successfully abroad. The precise nature of the model to advance towards regulatory convergence will, however, depend on the specifics of the economic sector concerned:

*6. How can the EU improve the effectiveness of regulatory dialogues? How can the EU promote the establishment of and greater recourse to international standards without compromising legitimate public policy choices? (optional)*

Regulatory measures are governing nearly all services sectors. Our companies always call for fair, good and non-discriminatory regulations. But often regulation or part of regulation put in place by trading partners create effective barrier to market entry for European services companies around the world. In most of the cases, the only way to tackle these regulatory barriers in the services sectors is to negotiate their removal or reduction with the trading partner in multilateral or bilateral trade negotiations.

However, when negotiations are not launched or making progress, engaging in regulatory dialogues might be a good way to diminish the negative effects of the discriminatory regulation. The objectives are to increased regulatory convergence at global level for instance in the telecommunication sector, to promote international standards like in accounting services or in financial services, or to develop mutual recognition of financial products or engage in mutual recognition of qualifications in the professional services like the architects, the lawyers, the engineers, etc.

So far, most of the regulatory dialogues that have been engaged by the EU are covering goods (manufacturing and agro-industry products). We take note that well-functioning financial services' regulatory dialogues have been initiated with the US in the framework of the Transatlantic Economic Council (TEC), with China in the framework of the High level Economic and Trade Dialogue (HED), as well as with other countries like Japan, India, etc. These efforts are welcomed but they must engage regulators at all levels and must lead to concrete results, not only talks. The lack of "dialogue" among banking and financial services regulators in the aftermath of the crisis is showing that much remain to be done. Regulatory dialogues are more difficult to put into place in the services dialogues where regulators are often independent and at local level, not at central government level. But a successful regulatory cooperation strategy requires explicit involvement of all decision-making bodies of a specific sector. ESF strongly encourage the EU to pursue efforts in that direction, in particular with countries where no negotiations are currently taking place.

Securing a reliable and sustainable supply of raw materials is crucial for EU industry. Taking into account development policy and environmental sustainability concerns, securing this supply from third countries requires a coordinated approach regarding EU external relations and trade policy:

*7. How can the EU, and in particular trade policy, help to secure a reliable and sustainable supply of raw materials by third countries? (optional)*

No comment.

## 4. Services

Services are an increasingly important part of the global economy. A manufacturing supply chain is unthinkable without services inputs. Tackling barriers to trade with major partners in areas such as financial services and communication services; business services and Information and Communication Technology (ICT) too could give an important boost to EU economic recovery. At the same time, trade in many services, especially those that can be delivered through digital communication channels, has increased rapidly. Services negotiations, both under the WTO General Agreement on Trade in Services (GATS) and in Free Trade Agreements, have so far focused mainly on consolidating market access conditions already in place, and only rarely on creating new openings for services trade. The difficulties in

securing significant new market access are holding back potential productivity increases and job creation in EU services sectors – and in manufacturing sectors:

*8. Should the EU aim for more trade in services, and if so, how? Multilateral and bilateral negotiations have only partially succeeded in opening trade in services so far, so would a renewed focus on trade in services among key trading partners (plurilateral approach) offer a useful alternative avenue? (optional)*

Yes, the European Union future trade policy should aim at more trade in services negotiations. In the past, multilateral and bilateral trade negotiations essentially focused on trade in goods and custom tariffs cuts. Services were negotiated for the first time during the Uruguay Round. The adoption of the General Agreement for Trade in Services (GATS) in 1994 has been an important step for world trade in services, but the countries' schedule of commitments containing the real substance of the deal were rather low. On the bilateral front, the only FTA where services commitments were negotiated by the EU up to December 2007 were with Mexico and Chile, and the openings were again very modest. The EU-Cariforum EPA is the first agreement containing real services liberalisation, going beyond the existing practices. This should be used as a minimum benchmark for all other on-going and forthcoming negotiations.

The European Services Forum is following closely all FTA negotiations engaged with "Global Europe Strategy" partners and is constantly calling for the European Union negotiators to negotiate far looking trade in services and investment commitments. The reports so far from the talks with Colombia & Peru, Canada, Singapore, etc. seem to be encouraging and efforts toward real market openings, going beyond WTO offers, beyond existing commitments with other trading partners, and going beyond existing regulation and practice must continue.

The DDA GATS negotiations are already a kind of "plurilateral" services negotiations, since only a group of more or less 35 countries, depending on the sectors, are effectively participating at the "collective request" negotiations that started after the Hong Kong WTO Ministerial Conference in 2005. Only 30 countries have tabled a "revised offer", only 31 countries (EU = 1) have participated to the Services Signalling Conference in July 2008. There are two categories of countries in these negotiations: i) the developed countries with advanced services economies which have offensive interests and which have tabled attractive offers, but are keeping their margin of manoeuvre, waiting for improvement from the emerging countries in services and non-agriculture market access (NAMA); ii) the emerging and developing countries which want to obtain more in agriculture and NAMA before showing any flexibility in services.

This plurilateral approach has not yet delivered, since it is linked to the "single undertaking" of the DDA. The lack of progress in the services negotiations does not lie within the services negotiations machinery itself, but because of the lack of progress in the other two market access pillars of the WTO negotiations, naming agriculture and NAMA. The services negotiations are once again taken hostage of these two pillars. Some indications during the "Signalling Conference" tend to demonstrate that some key emerging countries would seem to be ready to commit more on services. ESF considers that it is now time to enter into the intra-pillars trade-off negotiations to test these signals. Before these tests would be run, ESF preliminary position is that an alternative plurilateral approach, possibly outside the WTO, possibly for some services sectors or cluster of sectors, should not be envisaged.

Only after the end of the DDA, with either a positive or negative result, an alternative solution in trade in services negotiations should be worked out. ESF believes that trying an alternative avenue before would be counter-productive. The major objectives of trade in services negotiations are to ensure new business opportunities in emerging countries like Brazil, Russia, India, China, South Africa and alike. This is where the economic growth in the future decade is; this is where the potential markets are, this is where our companies want to do business. We do not see bright results in negotiating a services-only plurilateral agreement outside the WTO with the same countries that are already participating to the GATS negotiations. Emerging countries might make concessions in services in exchange of concessions in agriculture and NAMA; but will have much less interests in exclusive services talks.

An alternative could be negotiating with the OECD countries that would be willing to do so. Ideally, all services sectors should be part of the negotiations, so as to instigate possible trade-offs and leverages. These talks should be open to any other interested countries.

One could also explore the possibility of plurilateral negotiations on one or more clusters of services sectors that would have a positive impact of the overall economy and would thus drag the interests of a large group of countries. For instance, it is well documented that the potential for growth is notably enhanced by advances in information and communications technology that enables more services to be delivered electronically, creating greater opportunities in the “digital economy”. One could therefore launch the negotiations of an International Digital Economy Agreement (IDEA) that would look at the various aspects of trade in technological goods and services. A large number of services would be directly concerned like telecommunications, computer related services, management consulting and many business services, all the various development for “e-commerce”, “e-invoicing”, “e-banking”; “e-health”; “e-government”; “e-learning”, etc... Another example might be the launch of plurilateral negotiations of a cluster around energy and environmental services, involving liberalisation discussions on services that would contribute to foster the development of these two key pillars for the economy of the forthcoming decades.

To obtain more from trading partners on services, the EU must also be prepared to open more its own market. Our companies want to remain competitive and to do that know that they must face competition. Our companies do not fear fair competition, and the EU and its member states must continue the integration of EU's internal market. However, many legislative and administrative barriers are hampering the proper functioning of a true single market in the services sectors. The adoption of Services Directive was an important reform. Member States must now take necessary decision to ensure a correct and timely transposition. The opening up of the harmonised single market in services to third countries service providers is an important leverage that the EU services negotiators must used towards their counterparts.

## 5. Investment

Foreign direct investment (FDI) is an increasingly important means for businesses to participate in the dynamic economic development of markets around the globe. Supplementing as well as complementing trade, FDI creates more direct and deeper links between economies. It is a source of extra capital, encourages efficient production, stimulates technology transfer and fosters the exchange of managerial know-how. However, the increasing importance of FDI as a driver of economic activity - the EU itself is one the largest source of FDI in the global economy - is not yet fully reflected in its global governance: the current differences in national rules and policies create an uneven playing field for economic operators. The Commission is currently preparing a Communication on this subject:

*9. Given that the Lisbon Treaty gives the EU greater competences in international investment policy, how should we contribute to facilitating cross-border direct investment (both outward and inward)? What are the key issues to be addressed in agreements governing investment? (optional)*

The EU is by far the biggest investor worldwide and the biggest holder of FDI in the world. As mentioned under question 1 here-above, 65% of all outward foreign direct investment by European companies (extra-EU) is invested in services sectors, and more than 90% of all FDI coming into the European Union (extra-EU) is invested into services sectors. There is no doubt that this latter is due to the open, transparent, modern and secure markets, which attract foreign investors into the EU. Inward and outward investments are essential to maintain competitiveness in the European Union and to sustain growth and employment in the European economies by maintaining our competitive advantages in the services economy.

Establishing a physical presence in a foreign country through a branch, subsidiary or joint-venture is one of the favourite modes of supplying a service abroad. The WTO General Agreement on Trade in Services (GATS) is an investment agreement as well as a trade agreement, through its so-called “commercial presence abroad” provisions, also known as GATS Mode 3. As a result, services investment has in effect been part of the Union's Common Commercial Policy for the last fifteen years, and this must be vigorously pursued in the future.

However, this element of trade policy only provides *pre*-establishment protection. Our companies also need *post*-establishment protection for their investments against unfair expropriation or nationalisation. In this context, the European Services Forum strongly welcomes the adoption of a new European Union Investment Policy that will open the way for negotiations of bilateral investment treaties (BITs) at EU level, bringing uniform benefits to services businesses across all European countries.

It is first urgent to adopt all necessary arrangements for the transitional phase so as to reaffirm that the existing Member State BITs are compatible with the EU Treaty. Legal certainty of existing agreements in accordance with the EU law must be clearly reaffirmed. Furthermore, the new policy should eliminate the current differences between EU member-states, which might entail negotiation of new EU agreements, taking into account the content of the existing BITs, with these trading partners so as to expand their coverage to the whole EU.

The new investment policy should cover partners with high economic growth potential, such as China or Russia, which present important value-added in terms of investment opportunities and protection. With a view to giving additional value to the agreements negotiated or still under discussion under the “Global Europe” strategy, we would encourage negotiations with all the countries covered by that strategy, including India, Korea, Canada, Singapore and ASEAN countries, as well as with Latin American countries, and with Brazil in particular. Furthermore, the *real* value added by the new policy, in terms of new protection, would possibly accrue to those countries which do not yet have BITs with any EU member states, and where investment is not taking place due to lack of protection.

ESF is of the view that the key issues to be addressed in forthcoming agreements governing investment are:

- negotiations, as far as possible, on a negative list approach basis;
- negotiations of secure, fair and equitable treatment for European investments;
- negotiation of protection in case of expropriation or nationalisation, with adequate, effective, and prompt compensation to EU businesses;
- inclusion of state-to-state and investor-to-state dispute settlement system;
- inclusion of provisions protecting portfolio investments.

(see [ESF Position on new investment policy on ESF web-site](#))

## 6. Sustainable trade

Environmental and social concerns extend beyond EU borders: climate change and degradation of natural resources, for example pose a threat to the prosperity and well being of people in rich and poor countries alike. Trade policy should to the extent possible support green and inclusive growth around the globe. This could be by including the opening up of trade in environmental goods and services or via trade incentives promoting labour and environmental commitments. Greening the world economy and putting it on a more sustainable footing, in particular, will require considerable regulatory work. We should be careful however to avoid ‘green protectionism’. On the other hand, possible negative environmental and social effects should be appropriately addressed:

**10. How can trade policy best support green and inclusive growth around the globe including through Sustainability Impact Assessments? (optional)**

The Sustainable Impact Assessments studies made by the Commission for every trade negotiations are good policy tools and practice. However, we often noted that the CGE model or other econometric models are not always taking the full dimension of the benefits of liberalisation of the services sectors in the trading partners, since they cannot fully assimilate the foreign investment dimension of the services activities (mode 3) where the value added and the local jobs that are created by foreign companies that are incorporated in the incoming countries are part of the local GDP and therefore not counted in the benefits of the liberalisation obtained thanks to the international trade negotiations.

Furthermore, for the record, the words “sustainable trade” in English language does not refer to labour or environmental commitments. Sustainable trade is more about trade where the conditions for the traders are ensured for a long time period. Sustainable development is not only about development that would respect labour standards and environmental standards, but more importantly about trade and investment that would ensure economic development on a long term basis in the countries that are taking commitments, like for a telecommunication company that is investing in network that would benefit the whole local population and economy and that will remain in the country to serve that market over a long period of time.

As regards environmental issues, ESF would like to reiterate its support for progress in the environmental services (waste and water management, noise reduction and other pollution reduction) and clean energy related services. These negotiations can take place in the multilateral and regional/bilateral framework. ESF does support the new classification of these services as proposed by the European Union trade negotiators. When deemed appropriate, the launched of plurilateral negotiations on environmental and energy cluster related services could be envisaged. These two sectors will not doubt play an important role in the world economy in the future decades and the European Union cannot afford not to be fully engaged in the development of these services. Finally, improved market access to public procurement will be key for the development of these services, including improvement of rules and access to Public Private Partnership (PPP).

The EU is a major market for agricultural imports from developed and developing countries. The EU is also a key producer and exporter of processed food and other high value agricultural products:

*11. Given the forthcoming revision of the Common Agricultural Policy and the continuing need to foster a sustainable agricultural sector in Europe, how should EU trade policy develop in this area consistently with the overall objectives of the Lisbon Treaty? (optional)*

Like for the manufacturing industry, farmers and agro-industries dependent of agriculture products are important clients of services companies. They have therefore in many rural areas of the EU a strong interest in a well functioning agriculture in the EU.

However, as stated at the beginning of this questionnaire most growth and jobs in the EU are provided by services sectors as well as by industry. Agriculture is counting for only 1.9% of the EU GDP, 5.6% of the EU workforce and less than 7% of world trade. These figures must be taking into account in the international trade negotiations. It is not acceptable that agriculture is taking hostage progress in multilateral trade negotiations for years. If one way to unlock these WTO negotiations is to further reform the EU Common Agriculture Policy so as to reduce EU agricultural protectionism – tariffs, subsidies and export subsidies – ESF is of the view that the updated EU trade policy must encourage such a reform and be ready to make further concessions in this domain for the overall benefit of the European economy.

## 7. Inclusive trade

The distribution of the benefits to trade is also affected by the changes in the way business is conducted today. The European economy is increasingly dependent on the participation of its businesses in global value chains. A final product often incorporates hundreds of subcomponents, which are traded back and forth around the globe before reaching the final consumer. Greater openness in trade has allowed this to happen:

*12. How can EU trade policy ensure that the benefits of global value chains are shared by European producers, consumers and jobholders? (optional)*

A challenge to the global supply chain of goods products is to take into consideration the services that are participating to its success. Services are needed in all aspects of manufacturing, from product development, through production to sales. The amount of services required in manufacturing, and sold by manufacturing companies, is increasing. Typically, a manufacturing company would need over 40 different services to establish and uphold their supply chain (legal

services, accounting, advertising, telecommunication services, IT and computer related services, financial services, etc.). This is almost half of the services covered in the General Agreement on Trade in Services (GATS). Additionally, such a company would also supply about 15 different services itself within the company (e.g. maintenance and repair, technical testing, warehouse services, logistics, etc.). Since manufacturers use and sell an increasing amount of services, any restriction on services will mean increased costs and possible loss of competitiveness in the global value chains, to the detriment of the consumers and employees. Manufacturing services are therefore also directly concerned by the negotiations on trade in services and investments. The EU new trade policy should take this into consideration.

Furthermore, the mobility of high skilled employees to serve all level of the supply chain, including the mobility of services providers as intra-corporate transferees or as contract service suppliers within the client company, is also an important aspect where the trade policy can intervene. The European Union must have an offensive policy in the temporary mobility of high skills personnel both as to improve the mobility of EU workers to third countries, as well as to facilitate the mobility of non-EU services providers into the European companies, as felt necessary to allow an efficient use of the adequate workforce and avoid the inconveniences of the skills shortages.

The gains from trade are not evenly distributed, and adjustments can lead to short-term costs in the form of unemployment, retraining the workforce and converting production structures. The EU has a number of instruments available to address the problem of adjusting to new global trade patterns, such as EU Structural Funds, the European Social Fund (ESF), and the European Regional Development Fund.

In addition, the EU launched the European Globalisation Adjustment Fund (EGAF) in 2007, which offers a general response in terms of managing the negative employment effects of globalisation. The EGAF is designed to provide one-off individual support for a limited period to workers who are 'severely and personally affected by trade-adjustment redundancies'. In the longer term, the aim is to help redundant workers find and hold on to jobs:

*13. Are existing 'flanking' policies sufficient to ensure that the benefits of trade are shared among different people and across different regions and markets in the EU? And how can the EU best ensure, where necessary, that trade and other policies play their part in helping people, sectors and communities adjust? (optional)*

ESF is of the view that fair and non-discriminatory liberalisation is the most effective way for trade to create jobs, improve productivity and boost growth. Europe's most successful services sectors, which create well-paid, knowledge-intensive jobs, are in export-oriented sectors. The opening up of the EU services markets to competition from abroad in a fair and transparent environment has allowed foreign direct investors to create millions of jobs in the European Union. Often the possible temporary lost of jobs in the local less competitive companies have been compensated by the creation of new companies and new jobs, and has enforced the local sector to adapt and improve its competitiveness through innovation.

## 8. Trade and Development

The link between trade and development has become a major issue in recent decades as more and more countries, especially in Asia, have shown that trade can be an important means of boosting economic growth and lifting people out of poverty. The EU is a global player and takes its development responsibilities seriously. It is negotiating and implementing Economic Partnership Agreements with a view to sustainable development and regional integration in Africa, the Caribbean and the Pacific. Negotiations have also taken place with the Central American and Andean Community countries. A parallel consultation is already in progress on reforming the EU's general system of preferences for developing countries. However, trade policy alone cannot address the development challenges some countries face. Note that in light of the importance and scope of the topic, a future communication on trade and development will address these complex linkages between these policies. This too will be preceded by a public consultation:

*14. How can the EU best strengthen the issue of trade and development in its trade policy? Should the EU pursue a more differentiated approach in its trade relations to reflect the level of development of particular partners? How should the EU approach the issue of trade preferences in relation to the generally low level of EU Most Favoured Nation (MFN) tariffs, which will further be eroded following the possible conclusion of the Doha Round? (optional)*

ESF believes that, as repeatedly stated in WTO and World Bank studies, trade and investment are tools for “sustainable” economic development, i.e. development of the local economies on a long term perspective. Improvement of trade and investment conditions in key infrastructure services sectors like transport, energy and water distribution, financial services, telecommunication and IT services in poor countries is a well-known factor for development. But unfortunately the reality of the trade policy clearly ignores this. Too often, “special and differential treatment” is interpreted by the developing countries as a request of exemption to international trade rules. Granting these exemptions further increases the economic differences with modern economies and instead of trying to further insert the developing countries into the world economy have the exact contrary effect of proportionally increasing their poverty. It is thus unfortunate to see that the supposed to be “Development Agenda” will further deepen the economic divide, at the insistent request of the developing countries themselves.

Indeed, in the WTO Services negotiations only very few developing countries have tabled an offer and nearly no least developed countries. Indeed, in the Economic Partnership Agreements negotiations between the EU and the ACP countries, only the Caribbean countries have concluded a full EPA with significant services commitments. The other EPA regions have not yet reached any agreement in services. ESF believes that the EU should be more active in increasing the awareness of the importance of services commitments as to foster long term investment in their countries by providing predictability and legal security of the investments in the services sectors. The liberalisation process in the developing process should obviously be done on a progressive approach, with appropriate transitional periods, and accompanied with appropriate technical support for putting into place the regulatory framework and independent regulatory bodies.

A more coherent approach should be run towards the EU development aid budget, so as to provide the requested technical assistance needed to fulfil the trade policy commitments. Related to the opening up of investment conditions in appropriate manners, a simplification of EU aid rules governing investment in all types of infrastructure projects is also necessary, notably the rules on public procurement.

## 9. 'Smart trade'

The Europe 2020 strategy emphasises the ‘smart’ growth dimension, that is to say growth driven by innovative products, services and industries. A number of emerging market economies are likely to catch up with the technologies of the developed economies, at least in some sectors. Convergence between developing and developed countries can boost our economy, including in new and innovative ‘smart’ high-tech goods and services. While tariffs may be an issue in some instances, de facto barriers might arise as a result of divergent regulatory developments. Fortunately, in many of these high-tech domains, regulation is still on the drawing board. Upstream regulatory dialogue on these newly emerging technologies, addressing both risks and the response to risks, could facilitate international convergence and avoid the emergence of new barriers to trade:

*15. What initiatives could the EU take and which EU trade policy instruments could we mobilise to complement and reinforce the ‘smart’ dimension of the Europe 2020 strategy and facilitate trade in high-tech goods and services? (optional)*

As mentioned in Question 8 here-above, the launch of negotiations of an International Digital Economy Agreement (IDEA) that would look at the various aspects of trade in technological goods and services might be an appropriate answer to reinforce the “smart” dimension of the Europe 2020 strategy, together with the implementation of “Digital Europe” programme. Such an IDEA agreement should contribute to facilitate trade in high-tech goods and services, provided that all key developed and emerging countries participate to the negotiations. Improvement of public procurement market access and regulation in this area will also be vital for the success of that strategy.

## 10. Enforcement and dealing with unfair practices

The EU benefits from being one of the most open economies in the world by having access to cheaper goods and services, for citizens, the public sector and companies. It is in a strong position to shape globalisation and promote its interests. At the same time, we should not be naively open and defenceless in the face of unfair practices by some of our trading partners, e.g. distortion of international competition by the payment of unfair subsidies, in cash or in kind, or by dumping practices.

To defend the EU against such practices, we have recourse to trade defence instruments, in line with WTO obligations. In addition, existing multilateral, bilateral and plurilateral agreements provide for enforcement tools, including dispute settlement. This is particularly important with risk of protectionist measures still high in the aftermath of the economic crisis:

*16. How can the EU best safeguard its firms or interests against trading partners who do not play by the rules? Are the existing tools and priorities sufficient to address unfair competition from third countries?* (optional)

The dispute settlement mechanisms in the WTO and in bilateral free trade agreements have been negotiated specifically to address the lack of enforcement of the commitments taken by the parties. The EU should never hesitate, as a question of principle, to activate them as soon as a breach of a commitment is identified, disregard of any other political situation that should not be linked.

An improvement of the awareness of existing tool that is the Trade Barriers Regulation should be undertaken towards the services sectors, which often ignore its potential.

The Market Access Strategy that has been developed in the framework of the “Global Europe Strategy” is an additional way to identify unfair competition by or in third countries and should be intensified. The Market Access Teams are a great success and should be strengthened. Further efforts should be done to spread its use by the services sectors, like it has been the case in distributions services and postal and courier services on a pilot-phase basis, to look at barriers beyond the borders like discriminatory regulatory regimes in services sectors. The Market Access Strategy should be the central element of monitoring the implementation and enforcement of commitments taken in the existing and future FTAs.

Many partner countries still give limited access to their markets, for example to their procurement markets by giving national preferences to their enterprises. The EU is also looking into new areas such as access to raw materials and energy (see question 7 above). Furthermore, the EU has developed a comprehensive Market Access Strategy which uses a variety of formal and informal tools to make sure that European companies can make use of the market access opportunities which have been negotiated in trade agreements. Following the recommendations of the Europe 2020 Communication, an annual trade and investment barriers report identifying ways to improve market access and regulatory environment for EU companies will be presented to the Spring European Council starting in 2011:

*17. How can the EU best safeguard its firms or interests against major trading partners who maintain an asymmetric level of openness and resort to protectionist measures? Are the existing tools and priorities sufficient to address practices such as keeping EU suppliers out of government procurement markets, market access restrictions, restricted and insecure access to energy and raw materials?* (optional)

In its letter to President Barroso on 24 November on European Services Industry Priorities on Trade and Investment for the incoming European Commission, the ESF expresses its growing concern at the difficulties which European services suppliers face in obtaining effective non-discriminatory access to some services markets, like China or Russia.

For example in the area of public procurement, the European construction services industry has drawn attention to the barriers which continue to impede effective access by European suppliers to the Chinese market. At the same time, the European market for public procurement is fully open to foreign suppliers, including those from China which benefit unfairly from state subsidised funding and other non-transparent advantages that enable them to seriously undercut European-based suppliers in the European market. The Commission is strongly requested, without undermining overall efforts to keep markets open, to seek effective remedies to address this situation, including (a) the position of entities from non-market economy jurisdictions which benefit unfairly from state

support, discriminatory regulatory barriers and other non-transparent advantages conferred by state authorities and (b) targeted efforts to remove impediments faced by European services suppliers in the markets concerned.

One tool that might help to partly address these unfair practices is to pressure Russia to join the WTO and to China and Russia to join the Government Procurement Agreement as soon as possible. Adoption of multilateral and plurilateral rules of law and respects of these rules are the best tool to fight against asymmetric level of openness and resort to protectionist measures.

One important factor in promoting 'high-quality' growth is innovation, for which the Europe 2020 strategy also has a number of initiatives. Ideas and innovation need to be protected through effective protection of Intellectual Property Rights (IPR), including geographical indications (GIs). This is why the Commission in November 2004 put in place a strategy for enforcing IPR outside the EU. The strategy is currently being evaluated, and an Enhanced IPR Protection and Enforcement Strategy in third countries is due to be launched in 2011. Cooperation is also underway with major partners in order to promote better respect of IPR rules in third countries. Other issues such as access to medicines in developing countries need to be taken into account:

*18. What else can EU trade policy do to further improve the protection of IPR in key markets? (optional)*

No comment.

## 11. An open approach to shaping trade policy

The Commission is committed to shaping trade policy as openly and democratically as possible. Thanks to the Lisbon Treaty, the increased role for the European Parliament in trade policy improves both the accountability and the transparency of trade policy. However, in addition, trade policy should build on a wide range of points of view inside the EU and from other parts of the world. There are a number of structures, such as DG TRADE's Civil Society Dialogue to assist with this, but the approach can further evolve to take full account of the new EU institutional environment and changes in modern communications technology:

*19. What more should the Commission do to ensure that trade policy becomes more transparent and to ensure that a wide variety of views and opinions is heard in the policy-making process? (optional)*

ESF welcomes the efforts made by the Commission to raise the awareness on content and impact of the EU trade policy through the DG Trade civil society dialogue and the various public consultations that are taking place through the internet. This transparency policy through all channels including modern technology means is the best way to allow all opinions to be heard and will increase EU Trade Policy credibility.

We would like however to underline that the real stakeholders of the trade policy, the real trade actors, the real beneficiaries or losers depending of its success, are the companies that are on the markets buying and selling their products and services on a daily basis. The Commission and any decision makers in this process (EU Council and EU Parliament) should always keep that in their mind and understand the priorities of the business community.

*20. Are there additional priorities in relation to trade policy that the Commission should pursue? (optional)*

### A) Improve temporary movement of key business skilled personnel

Temporary movement of key business personnel to provide services into our companies, either in the European Union or in branches, subsidiaries and joint-ventures abroad, is a crucial way of doing business. The so-called "movement of natural persons on temporary basis" (GATS Mode 4) is becoming an important element in the international trade negotiations. Our companies have an offensive agenda on this issue. In a global world, we need to facilitate the possibility for our

employees to move quickly within our companies and to our clients, either services or manufacturing businesses, and for a short period of time wherever in the world, so as to gain new businesses and remain competitive.

This is an issue that the future trade policy will be more and more confronted with. Third countries are making “mode 4 requests” to the EU in the multilateral and bilateral trade negotiations and the EU should be responsive to these requests for two reasons: 1) The EU should ask reciprocal commitments by these requesting countries, since our companies encounter barriers, long and burdensome administrative process to move our skilled workers to their countries. Every effort should be done to improve temporary access to services providers and to speed up the visas process. 2) Due to the aging population, the EU is already facing skills shortages and needs to improve the possibility for its own companies to find the better skills wherever they come from if it does not want to run the risk of losing its competitiveness. Negotiations on mode 4 are the most appropriate tool to match the demand without linking the discussion with the debate on immigration and on employment.

The new instruments that the EU is working on for the benefits of third countries workers to better enter the EU territory, like the Blue Card that would allow easier circulation to third countries high skilled nationals within the EU, or the forthcoming proposal on intra-corporate transferees, are going in the right direction and should be pursued. EU Trade negotiators should use these instruments as ammunition in their discussion with their various interlocutors.

#### B) Mutual Recognition Agreement: a necessity to ease the mobility of professionals

One specific feature that is of interest to many services sectors, notably professional services is the concept of Mutual Recognition Agreements (MRAs), especially in relation to bilateral Free Trade Agreements whereby it is then directly linked to market access. As a matter of fact the automatic recognition of qualifications and the actual level of qualifications are absolutely crucial for professional services.

In that respect a particular mention should be made of the efforts deployed in the sector of architectural services since about a decade to respond to the various invitations that were made to professionals to seek to conclude agreements that can serve as a basis for official negotiations, so as to ensure that any such future agreements effectively respond to actual needs and wishes in these sectors.

The architectural profession as the first sector in which the Council has given a specific mandate to the Commission is in a way a spearhead project at the present time whereby the Commission has engaged or is about to engage in official negotiations with several countries towards concluding MRAs in this sector. The ESF hopes that these negotiations will be satisfactorily concluded as soon as possible. This will also open the way to exploring opportunities to conclude MRAs in several other sectors.

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The above responses are supported by the ESF Members listed here below:

1. Architects' Council of Europe –ACE
2. British Telecom Plc
3. Bundesverband der Freien Berufe – BFB
4. Bureau International des Producteurs et Intermédiaires d'Assurances – BIPAR
5. BUSINESSEUROPE
6. BUSINESSEUROPE WTO Working Group
7. Comité Européen des Assurances - C.E.A.
8. Confédération Fiscale Européenne - CFE
9. Commerzbank AG
10. Deutsche Bank AG
11. Deutsche Telekom AG

12. DHL Worldwide Network SA
13. DI – Confederation of Danish Industries
14. EK - Confederation of Finnish Industries
15. Ernst & Young
16. EuroCommerce
17. European Association of Cooperative Banks – EACB
18. European Banking Federation – FBE
19. European Community Shipowners' Associations – ECSA
20. European Express Association – EEA
21. European Federation of Engineering and Consultancy Associations – EFCA
22. European Public Telecom Network – ETNO
23. European Savings Banks Group – ESBG
24. European Satellite Operators Association - ESOA
25. Fédération des Experts Comptables Européens – FEE
26. Fédération de l'Industrie Européenne de la Construction – FIEC
27. Foreign Trade Association - FTA
28. France Telecom
29. Goldman Sachs International
30. IBM Europe, Middle East & Africa
31. International Financial Services, London – IFSL
32. Irish Business and Employers Confederation
33. KPMG
34. Law Society of England & Wales
35. Lloyd's of London
36. Mouvement des entreprises de France – MEDEF
37. Oracle Europe, Middle East & Africa
38. PostEurop
39. Siemens AG.
40. Standard Chartered Bank
41. Svenskt Näringsliv (Confederation of Swedish Enterprise)
42. Telefónica SA
43. Telenor Group
44. Thomson-Reuters
45. Trägerverein Zenit e.V
46. TUI A.G.
47. Veolia Environnement
48. Vodafone
49. Zurich Financial Services

ESF Members reserve the right to respond directly to the Commission.