



EUROPEAN COMMISSION
Office of Sir Leon Brittan

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EUROPEAN SERVICE LEADERS' GROUP

I want to thank you all who are involved and in particular Mr Buxton for having taken on such an important and complex initiative. I am delighted to see how rapidly progress has been made : in six months, you have gathered together in a single network, experienced knowledgeable and representative leading businesspeople from a comprehensive range of services sectors across Europe.

I hope that this Group can build on the success of the Financial Leaders Group on a broader basis for the service sectors. This new form of consultations is aimed at providing authoritative advice to European negotiators.

This is an extremely encouraging signal that the European service industries are strong and forward looking, and that you all consider international expansion as a key element in your business strategies. Together we can build a strong, coherent and active European constituency in favour of international trade in services liberalisation in a multilateral context.

I was delighted to see that the US has welcomed our call for the new Round of global trade negotiations ("Millennium Round"). We need to persuade the rest of the world that it is in their interest as well as ours to go down this route. Indeed, we still need to do much to convince other countries, **in particular developing countries**, of the benefits of open trade in services.

- I believe the European service Industry needs to engage in a **positive dialogue** with both **developing countries'** governments and trade policy-makers, as well as with their services industry with a view to promote benefits of trade and liberalisation and to explore the contribution of an open trading system to the objectives of development.
- I look forward to hearing about your objectives and priorities for the new GATS Round.
- **You** are the **driving force** of the consultation system which we have established; my door is open for any matters of concern. And I expect that whenever the overall ESN comes to some conclusions, these will represent the views of the industry, although I will also be ready to listen to problems of individual companies.
- We need to develop in particular the sort of good news stories concerning foreign participation in the Least Developed and Developing countries services economy that have been so influential in the financial services process.
- Given our respective time constraints, we will not be able to meet too frequently. I hope we can see each other from time to time, for example, when we need to agree our overall objectives and targets. More technical or detailed negotiations may be handled by your representatives and the Policy Committee. In other words, on Specific Commitments that will allow your company to make more business, then I expect that you will find the best way to combine both your business vision and representativeness of industries to determine what are the priority objectives that really matter to you.

EUROPEAN SERVICE NETWORK

(Leaders, Policy Committee and personal representatives of Leaders)

- I am delighted to see how smoothly and enthusiastically both business leaders, their representatives and federations worked together to set up a unique network of important, knowledgeable and representative people from across the EU and the spectrum of services sectors. Our negotiating priorities need to be rooted in the real concerns of business and we will be paying very close attention indeed to the negotiating priorities that the European Service Network identifies.
- I welcome, in particular, the ESN set of (market opening) principles you have agreed, and that for us will be a guideline in our work for the GATS 2000 negotiations. The next step will be to fill this outline of general objectives with precise sector-by-sector and country-by-country negotiating objectives, to achieve the market openings that will actually benefit European companies.
- The fact, that we are meeting here today shows that the EU Service Industry will be up to the challenge of competing more and better in a world economy, which in the new century - just about to start - will be more and more dominated by services. We should be concentrating on the opportunities we will have in the world if we remove trade barriers.
- In the EU, we have strong reason to be pro-active; this very meeting shows that the EU service industry is outward looking, this being a basic pre-condition to remain competitive and ultimately to survive. The start of operation of the Euro only strengthens the efficiency of our own internal market.

What can we expect to achieve in this new Services Round and how we are going to work together ?

I welcome the work plan Mr Buxton has just identified : (this will touch on the identification of target countries and key barriers, work on horizontal issues such as safeguards and procurement; a study of specific business cases, etc).

- In the past we have tended to focus on what we wanted to defend, but what **we should now be doing is concentrating less on what we want to defend and more on opportunities we can have in the world if we remove barriers elsewhere**. But removing obstacles in third countries of course means that we have to be ready to remove any barriers we have ourselves.
- The industry input/contribution help to focus attention on the twin objectives likely to underpin the next set of GATS negotiations: on the one hand, that of achieving a higher degree of trade liberalisation than was possible during the Uruguay Round and in subsequent sectoral negotiations; on the other, that of completing the incipient GATS framework of rules and disciplines and ensure its continued relevance in a globalising environment.

How the process is going on and what input is expected from ESN?

- First, we will be shortly preparing with our trading partners the negotiating Guidelines for the new Services Round : the basic objective is have a **comprehensive** negotiations with the **aim of deepening and broadening** the services activities and sectors covered by the liberalisation under GATS and to achieve - in line with the principle of progressively liberalisation - additional **real** market opening.
- We would ideally welcome an agreement, although an ambitious approach, which in our view could cover :
 - a) a commitment **not to introduce new restrictions generally across a border** (standstill);

- b) adoption of general or horizontal undertakings to eliminate certain types of restrictions common to several sectors;
 - c) two sectoral objectives that comes to mind are: an adequate treatment of maritime transport, I mean here an agreement that consolidate the principle of free seas, and that air transport services can progressively be included-under multilateral liberalisation rules;
 - d) further the development of regulatory disciplines and of pro-competitive principles and other rules for the effective liberalisation of certain sectors.
- We are going to achieve these objectives and make such objectives are concrete priorities and economically valuable for you.
 - **Timing:** We need your input by Easter on the overall strategy. As the negotiations come closer, we would have more targeted negotiation needs and would hope that you could respond to them on a time-scale that met those needs.
 - I am in your hand to listen what are your objectives, your priorities for the liberalisation either on a sectoral, geographical or more generally rules and regulatory environment you would like to see your operation to develop in third countries.
 - As far as I am concern I will be most willing to listen to any representatives that you may want to make on matters that are of concern to you. I am sure that the working methods and the structure of the ESN, under the Chairmanship of Mr Buxton, will ensure that the views of all sectors and companies are adequately conveyed to me.
 - I count on your support and input, at the company CEO and Chairman as well as at the European or National Federations, so that we can refine our strategy and set out clear, priority negotiating objectives which will make a difference in the international expansion of service business.