

I Press Release

Geneva, 25 September 2008

EUROCHAMBRES and FTA assess consequences of failed Doha Round

The main consequence of the failure of the Doha Round is that we will witness an increasing number of regional and/or bilateral free trade agreements being negotiated in the coming years and a further raise of protectionist tendencies. As a result, businesses will be negatively affected by the increase of different and sometimes complicated rules of origin.

This is the prediction of companies, academics, developing countries and international trade negotiators, gathered today at a EUROCHAMBRES/FTA workshop on the macro- and microeconomic impact of the failed Doha round of multilateral trade negotiations, organised in the framework of the 2008 Public Forum of the WTO (World Trade Organisation) in Geneva.

One of the participants, Stefano Mingaia, Director of an Italian company from the jewellery sector, said: *"We have to design and manufacture different goods according to the different set of existing rules of origin in order to access the market of a given country. This does not allow us to reach economies of scale and thus affects our competitiveness."*

Munir Ahmed, from the ITCB (International Textiles and Clothing Bureau), highlighted the responsibility that developed countries have in ensuring the success of the Doha round: *"Everybody knows that major developed countries have protected their textile and apparel sector for several decades through a myriad of direct and indirect restrictions and measures. This situation still continues today and developing countries can not access to the full potential those markets yet. This has implications in export earnings and jobs creation which in the end affects their chances of development."*

But hope is not dead

A positive note came however from Elmer Schialer, Deputy Permanent Representative of the Permanent Mission of Peru in Geneva: *"We can not use the word 'failure' or 'collapse' because situations like the one we saw at the Mini-Ministerial in July happen all the time. Negotiations have been put on 'pause mode' and could resume anytime soon. We do not know the timeframe yet but it would be a real pity not to take advantage of all the progress achieved so far."*

And Jacques Bourgeois, Professor at the College of Europe, added: *"One should avoid talking about a post-mortem in relation to a patient in intensive care. It is doubtful that the WTO system has given all it could offer."*

Against this background, both EUROCHAMBRES and FTA urge WTO members to resume efforts to safeguard the multilateral trading system, and to take stock of the many positive aspects of the Doha Round on which agreement had been reached.

EUROCHAMBRES, the Association of European Chambers of Commerce and Industry, represents over 19 million enterprises in Europe – 96% of which are SMEs – through members in 45 countries and a European network of 2000 regional and local Chambers.

Contact: Paul Fournier, +32 (0)2 282 08 53, fournier@eurochambres.eu, www.eurochambres.eu

The Foreign Trade Association (FTA) is the association for European commerce that specialises in international trade issues. Its members are national trade associations and companies from all over Europe.

Contact: Stuart Newman, +32 (0)2 762 05 51, stuart.newman@fta-eu.org, www.fta-eu.org