

May 13, 2003

The Honorable Robert B. Zoellick  
United States Trade Representative  
600 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20508

Mr. Pascal Lamy  
Commissioner  
DG Trade  
European Commission  
200, rue de la Loi  
B-1049 Brussels, Belgium

Dear Ambassador Zoellick and Commissioner Lamy:

With the WTO Fifth Ministerial Conference less than four months away, we are writing on behalf of our respective organizations to urge the United States and Europe to provide the joint leadership necessary to achieve a meaningful ministerial meeting in Cancun, Mexico, this September, and a successful outcome to the WTO Doha Development Agenda (Doha Agenda) by the stated deadline of 2005. Your recent bilateral meetings in Europe are an important step in this direction.

The maintenance of a predictable, open and rules-based multilateral trading system has historically been one of our most important and mutually shared international economic objectives. The Doha Agenda presents a unique and vital opportunity for us to demonstrate our continued joint cooperation and vision in pursuit of this common goal. In our view, the stakes have never been higher. They involve the future relevance and credibility of the WTO as a renewed engine of global economic growth and prosperity, and as an institution to promote constructive economic engagement through open trade rules and principles.

Above all, we believe this latest round of WTO negotiations should be an ambitious one. The reality of today's global marketplace and the proliferation of regional trade agreements call for it. Toward that end, we urge your concerted joint leadership to accomplish bold objectives to reduce and eliminate tariff and non-tariff barriers to trade in goods, services, and agriculture. Deep and meaningful reform of agriculture policies in a timely fashion is crucial to determining whether the Doha Agenda achieves these bold objectives.

We also urge that this round not reverse the progress made in previous rounds, particularly with respect to the integration of developing countries into the global economy. We strongly endorse the long overdue attention to the trade-related technical assistance and capacity building needs of developing countries, and the unique needs of least developed countries, particularly in terms of the phasing in of their WTO obligations. All WTO Members, however, stand to benefit from the substantial reduction and elimination of barriers to trade in goods, services, and agriculture among all WTO Members. Trade

liberalization and open rules-based trade expansion are integral to sound economic development, including attracting needed foreign investment in the developing world.

There are other important elements to the Doha Agenda. We support efforts to achieve a consensus on difficult political issues in a manner that does not lose sight of the basic objectives of the WTO and the GATT since it was first established – promoting open market competition through multilateral trade liberalization and predictable trade rules.

More specifically, we call upon you to:

1. Renew the momentum for the Doha Agenda by recommitting the United States and European Union to its completion by the stated deadline of 2005, aiming for ambitious market access results, further integration of developing countries into the global economy, and improved rules, as well as achieving meaningful and necessary forward progress at the Cancun Ministerial.
2. Address the demands for market access and fair competition in global agriculture trade by systematically reducing, with the goal of eliminating, trade distorting subsidies and domestic support, and by supporting negotiating modalities that will dramatically reduce high tariffs on imported agriculture goods among both developed and developing countries. The realization of the Doha promise to developing countries and the achievement of ambitious market access objectives for goods and services that are important to developed countries will require a commitment to meaningful reform of agriculture policies prior to the Cancun Ministerial. A failure at Cancun owing to an inability to reform agriculture is not an acceptable outcome for the U.S. and European business communities.
3. Renew the commitment of major U.S. and European private sector producers of goods and services -- the key drivers of foreign investment and trade -- to the multilateral trading system by achieving an ambitious market access agenda. This can be achieved through the progressive reduction and eventual elimination of tariffs for non-agricultural goods, the elimination of non-tariff measures, and significant commitments on services liberalization.
4. Achieve a balanced and workable consensus on the Singapore issues, especially investment, trade facilitation, and transparency in government procurement. Address politically sensitive issues, including antidumping and developing country implementation concerns, in a manner that supports the basic objectives of the multilateral trading system and does not reverse the major gains achieved in previous rounds.
5. Resolve the negotiations about TRIPs and access to medicines to the poorest countries in a manner that does not prevent progress on other critical issues in the Doha Agenda and is consistent with the objectives of a robust research and development agenda and the principles embodied in the Doha Ministerial Declaration on TRIPs and Public Health.
6. Bolster the already robust efforts underway on trade capacity building and technical assistance to ensure that developing countries realize the benefits of the WTO Agreements. There is also a need to communicate more effectively to public stakeholders the widespread benefits of the WTO multilateral trading system, including the overwhelming positive evidence of its contribution to poverty reduction and economic development.

The United States and Europe are keenly interdependent economically. The magnitude of our integration is evidenced by the fact that the majority of our investment and foreign affiliate sales are with each other. In 2000, for example, the total output of U.S. foreign affiliates in Europe was \$333 billion; the output of European affiliates in the U.S. was \$301 billion in that same year. The transatlantic economy is now worth some \$2.5 trillion, involving more than 12 million workers.

This relationship underscores both the promise of further economic cooperation as well as the responsibility to demonstrate leadership for helping to ensure the success of the Cancun Ministerial Conference and Doha Agenda. We look forward to that leadership and stand ready with our support.

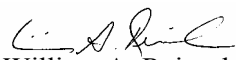
Sincerely,



Digby Jones  
Director-General  
Confederation of British Industry



Ludolf v. Wartenberg  
Director General  
and Member of the Presidential Board  
Federation of German Industries



William A. Reinsch  
President  
National Foreign Trade Council



Maja Wessels  
Chair  
The EU Committee of the  
American Chamber in Belgium