

**EU-Japan Business Dialogue Round Table
Tokyo, 20-21 June 2004**

Policy Statement concerning the World Trade Organisation

On the occasion of the annual meeting of the EU-Japan Business Dialogue Round Table, business leaders from the European Union and Japan have adopted the following message:

1. We welcome that, following the enlargement on 1 May 2004, the European Union's WTO commitments and obligations were extended to its 10 new Member States, and that the European Union is now speaking on behalf of 25 Member States. This enlargement is an event of great significance for Europe, which may bring important economic and trade opportunities to Europe and to its trading partners, including Japan.
2. The current trading Round continues to be immensely important for economic growth, stability and development prospects of all stakeholders in the multilateral trading system. We strongly believe that there is no substitute for the multilateral trading system for achieving these objectives and that positive results on the Doha Development Agenda (DDA) will help strengthen trust in that system.
3. As stated at our last annual meeting held in Brussels in May 2003, we continue to believe that the successful conclusion of an ambitious Round can help to improve global efficiency and international economic integration, and to provide meaningful answers to the challenges of sustainable development in the global economy, the realization of a highly sophisticated Information Society, and the innovation of new technologies.
4. Expressing our deep concern about the failure to reach the agreement to enhance the negotiation on WTO's New Doha Round at the Ministerial Conference in Cancun last September, we sent a message to the EU Commission and the Japanese government on December 18, 2003 that all parties would demonstrate flexibility such that satisfactory results for all parties may be achieved as soon as possible. We welcome the renewed political will of WTO Members to take advantage of the window of opportunity that has opened in the recent months to reach a basic agreement on the framework modalities for further negotiations by July 2004. This agreement needs to build on the lessons learned in Cancun and on the progress made since then. Political will must now be further transformed into concrete and decisive actions to ensure a successful outcome of the Doha Round.
5. Progress on core issues of the DDA, such as agricultural and industrial market access, services, rules and development issues is key to advance the negotiations. We recognise the importance of achieving progress in the agricultural negotiations for the majority of WTO Members, and we encourage all Members to show the required flexibility in order to favour a balanced agreement in all three major pillars of the agriculture negotiations - export competition, domestic support and market access. In this regard, we welcome the European Union's readiness to further move on export subsidies, provided there is full parallelism by

other members and an acceptable outcome in the other pillars, as well as its willingness to find a constructive solution on cotton. We also welcome that Japan, as a member of G10 group, is prepared to discuss various types of tariff reduction formula, if its concerns and sensitivities are taken into account, while admitting that the framework for agriculture is a necessary step to ensure reaching the results mandated by the Doha Declaration, and we recognise a need for coherence, flexibility and balance in order to accommodate the diversity of members' types of agriculture.

6. We note that on the Singapore issues an emerging agreement exists among WTO Members to launch multilateral negotiations on Trade Facilitation. It is important to ensure that the necessary decisions on the modalities for these negotiations are taken by July 2004. With regard to the other three issues - transparency in government procurement, investment and competition – we stress the importance of keeping them within the WTO context, given the potential benefits that framework agreements in these three areas would provide to all WTO Members. We also expect that the rules and procedures for anti-dumping will be clarified and strengthened, as well as for subsidies and regional trade agreements.

7. Another crucial area where further progress must be made is trade and development. Some achievements have been accomplished since the launch of the DDA, but further movement is urgently needed. Whilst acknowledging the real benefits that multilateral trade and investment liberalisation can bring to development, we reiterate our wish that the concerns of the poorest and weakest countries are taken account of in the negotiations and in the final DDA agreement. The European Union and Japan should also continue their efforts for assisting developing countries to build their technical and administrative capacity in order to allow their effective participation in the WTO's decision-making process.

8. We strongly encourage the European Union and Japan to be pro-active in the negotiations and multiply their efforts towards achieving an agreement on frameworks by July 2004. To this end, the European Union and Japan should keep close bilateral contacts on all DDA issues and use all opportunities to co-ordinate their positions to favour solutions which can bring the multilateral trade agenda forward.

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