



## WHY IS THE EU INSISTING ON MOVEMENT IN NEGOTIATIONS IN TRADE IN INDUSTRIAL GOODS AND SERVICES?

Politically, the Doha Round has focused almost exclusively on trade in agriculture. A deal to 'unblock' agriculture is usually presented as the key for triggering substantive talks on the two other major sectoral negotiations: trade in services and trade in industrial products. The EU has consistently insisted that movement in agriculture be mirrored by similar progress in these other two sectors.

### **Progress on trade in services and industrial products is crucial for a balanced and successful Doha Development Round:**

- The World Bank puts the value of a feasible outcome of the Round at **100 billion dollars a year** - this is a badly needed boost of confidence and prosperity for the global economy and it will come largely from new market access in non-agricultural products and services.
- About 75% of global trade is in industrial goods:** for developed and developing countries. There are big potential gains for all parties from new market access.
- NAMA is a development issue:** 70% of the tariffs developing countries pay are paid to other developing countries – most of these in industrial goods. If we want to cut this tariff bill, we need to reduce industrial tariffs.
- Services is a development issue.** Opening their services markets is a key step for developing countries – without an effective banking, transport, communications sectors there is no development. Investment from Europe can be key to developing these sectors. This is not about Europe's companies forcing their way into fragile markets: it is about European investment helping these fragile economies build the strength to grow.

### **Progress on trade in services and industrial products is crucial for a balanced deal for Europe:**

- 85% of Europe's exports are industrial goods.**
- Europe accounts for 25% of the world's trade in services and about one fifth of the world's trade in industrial goods.**
- The EU is the world's biggest exporter.** This is where our comparative advantage lies. We have almost no industrial tariffs left – our average industrial tariff is just 4% - this is our last 'trade off' and we expect an ambitious result for Europe's businesses and exporters.