

# Foreword

by Peter Mandelson,  
EU Trade Commissioner

In the global economy, Europe's trade policy must become an integral part of its wider approach to economic reform and competitiveness. To build a stronger EU economy at home, Europe has to be more competitive abroad.

The changes in the global economic order today are as significant for the world economy and international relations as the end of the Cold War. Global economic integration is quickening, driven by growing trade, falling transportation costs, and a revolution in information and communications technology. This is creating opportunities for growth and for development on an unprecedented scale. But it is also putting new pressures on global resources and creating new competition for EU workers and industries. It has eroded some old certainties and aroused new fears.



The answer to these fears is not to close ourselves off or to seek to stop change. We need strong economies to preserve the basis of the social models that are an integral part of European life. In a global economy, strong economies are competitive economies. And competitive economies are built on trade.

There are two critical factors in European competitiveness. First, having the right policies at home which reflect the external competitive challenge and maintain our openness to trade and investment. Second, ensuring greater openness and fair rules in other markets around the world.

Our trade policies have a vital role in stimulating growth and creating jobs in Europe. To do so, we need to adapt the tools of EU trade policy to new challenges, to ensure Europe remains open to the world and other markets open to our trade. More than ever, Europe needs to import to export; to trade in order to grow. Our supply chains are global. We need to be open so that we can insist on openness from others.

In 2005, the renewed Lisbon strategy set out the steps we should take in the European Union to deliver growth and jobs. This internal agenda must be complemented by an external agenda for improving European competitiveness in the global economy. Our primary means of doing so is through the WTO. That will mean our first priority and the Commission is working intensively to restart the Doha negotiation after its suspension in July 2006.

We also need to build on the platform created by the WTO to open markets further to trade and investment, to tackle barriers which lie behind the border and to step up our engagement with major emerging economies. So from Autumn 2006 and through 2007, the Commission will set out the competitiveness agenda for EU trade policy with a series of linked initiatives on market access, EU policy on China, trade defence instruments, steps to further protect intellectual property rights, and a new generation of bilateral trade agreements to build on the EU's strong commitment to the WTO.

