

Business Summit
Opening Statement by Commissioner Mandelson

Ladies and Gentlemen

We face today change at a pace and on a scale that is unprecedented: rapid technological progress; the emergence of new trade and economic powers; fundamental changes in the way businesses operate and are supplied.

This process of change is driving impressive growth in India and creating new opportunities for growth and jobs in Europe. It is a process in which trade and investment play a critical role. In other words, to prosper, we need each other.

In Government, our job is to ensure that public policy sets the right framework. That means policies at home which create the conditions for strong companies to grow, which maintain and develop our openness to trade and investment. It means policies which equip citizens to adapt to the changes driven by globalisation, including the negative changes. And, critically, it means creating open, rules-based markets.

Global Europe – competing in the world

These are the themes of a strategy - *Global Europe: Competing in the World* – launched by the Commission last week. In my view, its principles apply similarly to India and Europe. The strategy sets out how trade policy can contribute to creating growth and jobs. It argues that our openness to others, and their openness to us, are critical and mutually reinforcing factors in boosting competitiveness. The focus and basis of this argument is, naturally, Europe. But in the global economy, its core principles are as true, I believe, for India – or for China, or the United States – as they are for the EU.

In the case of Europe, the strategy sets out a series of initiatives to ensure Europe's trade policies are adapted to the competitiveness challenges of the future. It sets out a clear programme of measures to support the competitiveness of European companies when they trade and to adapt the tools of trade policy to the challenges of the 21st century.

If our economic strength is built on trade, then our prosperity is directly linked to the openness of the markets we try to sell to. So we need to create, through negotiation, the conditions for open, rules-based markets around the world. Without doubt, the single most effective way of doing so is through the WTO - most effective in terms of expanding and managing world trade; most effective in helping put trade at the service of development. It is a cornerstone of the multilateral system.

That is why the EU and India are working and must work hard together to get the talks back on track as soon as circumstances allow. Failure to do so in the months ahead will not just be a missed opportunity for growth and development. It would risk long-term damage to all that we have achieved in building a global consensus in support of an open trading system.

But Doha first has never meant Doha alone. The EU has always maintained its commitment to the WTO with additional, complementary bilateral and regional trade negotiations. But I do not believe our current set of bilateral relations meets all our economic priorities – particularly in Asia, including in South Asia. This is the agenda which the strategy set out by the Commission last week seeks to address.

EU/India

India is a critical part of this agenda; a crucial partner in Asia, with whom we share core values and interests, from the rule of law and human rights to the pursuit of economic growth and social justice at home and abroad.

We now have an important opportunity to develop this strategic partnership through a deeper economic partnership to the benefit of India, Europe and the wider world. We should move towards a broad-based trade and investment agreement, as recommended by the High Level Trade Group.

We are natural partners with complementary economies. I know there will be sensitive issues on both sides. But I am convinced that removing barriers to trade will attract new investment and make it easier for both EU and Indian businesses – for you – to operate across borders. Mutual opening will contribute to economic growth on both sides and also to a stronger political partnership.

The High-Level Trade Group has created a clear understanding of the expectations and ambitions on both sides. We have agreed on the need to address barriers to trade and investment, not just at the border, but also non-tariff barriers behind the border, and issues that affect the trading environment – public procurement, technical regulations, Intellectual Property Rights, competition policy.

Today's Business Summit is an important step along this path. It will strengthen the dialogue and cooperation between government and business which is essential to achieving an agreement that delivers benefits for both sides. I look forward to the launch today of the CEO Roundtable and to the continued cooperation with you in the months ahead. I count on your input, your contributions and your support.

[800 words]