
Barroso makes the case for conclusion of Doha Round



The world should embrace free trade and repudiate protectionism, urges José Manuel Barroso, European Commission president, adding that completing the Doha Round on global trade would send a “very important signal” that free trade is vital in lifting the international economy from the current deep recession.



Speaking at the 'Presidents' Debate' at this year's European Business Summit, Barroso says the European Union is ready to "close the deal" on the Doha Round, as trade protectionism is not in the interest of the world's largest trading bloc.

Barroso adds that Europe did not play a role in the collapse of the Doha Round last year, which was then 80 per cent completed, according to the World Trade Organisation (WTO). The free trade talks had broken down after the US, China and India failed to resolve their disputes on agricultural trade safeguards.

Although there has been an increase in protectionist measures, such as anti-dumping duties, Barroso says there is no discernible global move towards protectionism.

Another speaker in the plenary session, **Ernest-Antoine Seillière**, president of the business lobby group BusinessEurope, suggested the establishment of a body to examine and check the rise in protectionism.



Seillière adds there should be legal obligations to prevent the infringement of World Trade Organisation (WTO) rules, and "implement some kind of way to prevent protectionism from creeping in".

“We must keep the institutions of the world economy in place.”

On whether the US would move to conclude the Doha Round, Barroso says that President Obama’s recent statements on free trade are “in the right direction”. But Barroso concedes that it will take some time before the US is ready to conclude the Doha Round because the new administration is still in the process of nominating its trade team and reviewing the trade agreements.

On the current global economic crisis, Barroso points to the “two main problems” of a decline in demand and the credit crunch, noting that even strong companies have been having difficulty in securing trade financing. Barroso says it is therefore important to restore confidence in the financial system and address the lack of leadership in the financial sector.

“This crisis requires not only the actions of the public authorities, but also the European institutions, the national governments, and social partners.”

“Society has to mobilise to find new ways of addressing what indeed is an important crisis. And I think it’s through cooperation, through dialogue - it’s not through confrontation - that we’re going to solve this crisis.”

Separately, Barroso urges EU members to use short-term fiscal stimulus measures to invest in their medium- and long-term needs, saying that countries should be “spending not for the sake of spending, but spending for the economy of the future”.

“I believe that if we use this opportunity – someone has said that a crisis is a too important thing to waste – we can in fact use this crisis in the medium term for the reconstruction of our economy to be more competitive and more efficient in the medium and long term.”

Barroso says EU countries that invest in projects that relate to energy security and the ‘greening of the economy’ will receive contributions from the EC.

While it would be ideal to have a common European energy policy, Barroso acknowledges that it will be hard to achieve. “The energy mix in each country is very different, so to achieve a common market for energy is indeed in itself a good achievement,” says Barroso, who notes that Europe is making progress towards achieving this.

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