

Free trade for growth and prosperity

What is our objective?

The Confederation of Swedish Enterprise consistently supports free trade. Free trade is a prerequisite for a well-functioning market economy with healthy competition. Protective tariffs in other countries harm market access and exports of Swedish companies. Protective tariffs on imports into Sweden and other EU countries make components and services more expensive, and our companies less competitive. Therefore we want to eliminate all tariffs and other unnecessary barriers to international trade. Zero duties on all industrial goods in all countries should be an important long-term objective for the WTO.

What is the situation today?

The common external trade policy of the European Union is jointly decided by all 27 member states at EU level. Trade negotiations, customs regulations and other parts of the common EU external trade policy are handled by the European Commission within the framework of the Treaty and the mandates given by the Council of Ministers.

In the WTO we pursue better market access for industrial goods, services and, agricultural products. We also want stricter WTO rules on trade facilitation and on anti-dumping. We pursue these objectives through contacts with the European Commission, the Swedish Ministry of Foreign Affairs, the European Parliament, through business organisations such as BUSINESSEUROPE, ESF, ICC and BIAC, and with representatives of business and government in other countries.

The WTO negotiations in the Doha Development Round are going ahead too slowly. If these efforts are not successful, we urge the EU to try to salvage important areas of the WTO negotiations, such as:

- A plurilateral agreement on the liberalisation of services between all interested parties.
- Sectoral agreements on tariff reductions for industrial goods, preferably to 0, between the largest players.
- Stronger rules for trade facilitation.
- A new WTO mechanism to solve non-tariff barriers (NTBs) through consultation and mediation.

New bilateral free trade agreements might be useful, but they should be regarded as a step towards a new multilateral agreement. Economic potential should be the priority and not other political agendas.

Trade relations with North America ought to be strengthened and mutual red tape reduced. We pursue the objectives of lower tariffs and the abolishment of other trade restrictions in the EU's bilateral and regional trade agreements as well. We work for improvement of the EU's internal rules on customs clearance, the GSP-system, anti dumping etc.

What needs to be done?

- Tariffs should be reduced for all industrial goods to a maximum of 10 percent on average. Zero duty agreements for several additional sectors should be negotiated. Low tariffs below 3 percent ("nuisance tariffs") should be removed entirely, and peak tariffs should be capped at a maximum of 15 percent.
- Free trade in services should be improved through the harmonisation or mutual recognition of national regulations in all service sectors.
- Free trade in agricultural goods and food products should be improved by eliminating all forms of export subsidies, and by sharply reducing internal support and external border protection in the EU and other industrial countries.
- Simplified and harmonised customs and trade procedures should be introduced to lower the cost in time and money for both exporters and importers, especially for small and medium-sized companies.

Do you want to know more?

On our website www.swedishenterprise.se you will find our detailed positions and objectives for the WTO negotiations, and our views on the important role of free trade for international growth and development.

Contact person:

Olof Erixon
E-mail: olof.erixon@svensktnaringsliv.se
Telephone: +46-8-553 430 46