

DOHA DEVELOPMENT AGENDA RETAIL INDUSTRY POSITION PAPER

The National Retail Federation (NRF) and EuroCommerce, representing the retail sectors in the United States and Europe, present the following views and objectives on issues affecting U.S. and E.U. retailers in the Doha Development Agenda round of trade negotiations.

Market Access for Agricultural and Consumer/Industrial Goods

The U.S. and European retail sectors affirm their support for a framework in the negotiations affecting market access for agricultural and non-agricultural products that will result in the substantial reduction and eventual elimination of all tariffs and tariff-rate quotas on agricultural, consumer and industrial goods, including textiles, apparel, cotton, processed food products (including sugar), and footwear. These sectors, in particular, are of key interest to developing countries and the willingness of industrialized countries to eliminate tariffs, tariff-rate quotas and subsidies affecting trade in these goods will demonstrate their commitment to achieving the “development” goals of the Doha agenda. In addition, elimination of these trade barriers will benefit low-income consumers in industrialized countries who for too long have borne a disproportionate share of the cost of protecting politically-powerful domestic industries. We also strongly urge WTO members to endorse the following basic concepts:

1. With comprehensive product coverage a key to the ultimate success of the entire round, no sector should be excluded from discussions;
2. Formulas that will result in substantial tariff reduction (including tariff peaks and tariff escalation, and the elimination of nuisance tariffs), based on applied, not bound tariff rates, and allowing for longer transition periods for developing countries as appropriate;
3. Processed foods should be included in any general agricultural market access formula;
4. Manufactured consumer products and processed foods should be targeted for sectoral zero-for-zero tariff initiatives;
5. Rejection of any new or permanent textile safeguard mechanisms and any special formula for textiles and apparel that would result in a lower average tariff cuts than other products;
6. Meaningful market access is contingent on phasing out all agricultural export subsidies and substantially reducing trade-distorting agricultural domestic support programs; and
7. Provisions on rules of origin that prevent them from becoming new trade barriers.

Market Access for Services

As a global industry serving a growing number of customers outside its home market, the U.S. and European retailers strongly support a framework in the services negotiations that will expand market access in foreign markets to retailers and other providers of distribution services, as well as other services that are critical to support successful retail operations, such as transportation, financial services, and telecommunications.

Therefore, we urge: (1) more WTO Members, especially developed and big-emerging market countries, should schedule commitments to open their distribution services sector, particularly for commercial presence (“mode 3”) consistent with the principle of national treatment; (2) that those commitments expand market access beyond the current levels by dismantling barriers to trade in distribution services, such as equity restrictions, discriminatory licensing and store size requirements, competitive needs tests for foreign investment, and

limitations on access to distribution networks; (3) opposition to creating a services safeguard mechanism; and (4) freer temporary movement for key business personnel (“mode 4”).

Rules Negotiations -- Trade Remedy Laws

The U.S. and European retail industries support addressing inequities in the administration of the trade remedies laws (antidumping, countervailing duty, safeguards), which are increasingly subject to political influence and misuse for protectionist purposes. To correct some of these inequities, importers and consumers, who are affected by such decisions, must have full standing to participate in investigations. Trade remedies rules must be clarified (e.g., by eliminating methodological biases that artificially inflate margins, like “zeroing” and ensuring greater procedural transparency). Members should each agree to adopt a “public interest test” to ensure that investigations launched are in the broader interest of the economy. Members should agree to measure the direct link, if any, between imports subject to investigation and any injury experienced by the domestic industry. The “lesser duty rule” should apply in all cases. Finally, once an antidumping investigation is terminated without the imposition of antidumping duties or a petition has been rejected or withdrawn, new petitions covering the same product and country may not be filed until after the lapse of one year.

Trade Facilitation

Trade facilitation is particularly important to the retail industry and directly affects the cost of sourcing consumer goods. Accordingly, U.S. and European retailers support a final agreement that further expedites the movement, release and clearance of goods by harmonizing global customs rules and procedures, while providing an adequate phase-in period to allow companies to adjust to any changes. Fees, rules and border procedures for imports and exports must be based on transparent and objective criteria, reflect customs administration costs. To achieve these goals, technical assistance should be provided to developing countries.

Trade-Related Intellectual Property (TRIPs) Rights

The U.S. and European retail industries support a TRIPs framework that clarifies and strengthens rules protecting retailers from the growing problem of piracy of retail and brand-name trademarks. Retailers oppose expanding the scope of the rules on geographical indicators – which limit the ability to use certain names associated with wines and spirits (e.g., champagne) – to include other consumer products, particularly food (e.g., Parmesan cheese).

The **National Retail Federation (NRF)** is the world's largest retail trade association, with membership that comprises all retail formats and channels of distribution including department, specialty, discount, catalog, Internet and independent stores as well as the industry's key trading partners of retail goods and services. NRF represents an industry with more than 1.4 million U.S. retail establishments, more than 23 million employees - about one in five American workers - and 2004 sales of \$4.1 trillion. As the industry umbrella group, NRF also represents more than 100 state, national and international retail associations. www.nrf.com.

EuroCommerce represents the retail, wholesale and international trade sectors in Europe. Its membership includes over 100 commerce federations in 29 European countries, European and national associations representing specific branches of commerce and individual companies. www.eurocommerce.be