P r e s s R e l e a s e

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European metal workers and auto industry warn that pending Doha deal puts EU manufacturing at risk

The European metal workers and the automobile industry are extremely concerned about the content of the pending compromise in the Doha round trade negotiations. The draft agreement for Non-Agricultural Market Access (NAMA) would open up the EU market for non-European producers without offering the European industry any meaningful improvement of market access to major emerging economies.

"The lack of improvement in market access to emerging and developing countries for the foreseeable future is against the original goals of the current Doha Round and will undermine the competitiveness of the EU industries, putting pressure on production costs and employment", said Peter Scherrer, General Secretary of the European Metalworkers' Federation (EMF). "The result could be major job losses in the EU, at the level of the manufacturers, but also in the supply chain."

Automotive peak tariffs in certain emerging markets risk to be maintained on the long term, and such markets will remain closed as the so-called flexibilities will remain in place that enable countries to exclude whole sectors from lowering tariffs. Many of these countries, however, have matured industries that do not need protection

"The currently discussed unfair and imbalanced trade deal would leave the EU industry no other choice than to revise its future investments (in new models and R&D) to locations outside EU that are more cost efficient", said Ivan Hodac, Secretary General of the European auto industry trade association ACEA. "Also, additional investments will have to be made in major emerging economies, as their markets will remain closed to imports through the use of flexibilities and the maintaining of peak tariffs. The EU would clearly loose out as location for manufacturing."

The European automobile industry is key to the EU economy. The sector employs 2.2 million people directly, and indirectly supports the jobs of another 10 million families. The industry is the largest private investor in research & development in the EU, with an R&D expenditure of € 20 billion annually.

Auto industry and metal workers demand a thorough review of the pending Doha compromise in order to achieve reciprocal market access in developed, emerging and developing countries, and a long-term solution to eliminating the so-called 'flexibilities' and 'non-tariff barriers'.

EMF – European Metalworkers' Federation – represents the interests of 5.5 million metalworkers in Europe and is a member of the ETUC.

ACEA represents the fifteen major European vehicle manufacturers. Its members are BMW Group, DAF Trucks, Daimler, FIAT Group, Ford of Europe, General Motors Europe, Jaguar Land Rover, MAN Nutzfahrzeuge, Porsche, PSA Peugeot Citroën, Renault, Scania, Toyota Motor Europe, Volkswagen and Volvo.

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