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Trade liberalization of environmental goods and services and impacts on developing countries

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Principles for identifying environmental goods and services

- Special use: EGS indicate the goods and services only used to measure, prevent and control environmental pollution and improve eco-system.
- No multi-use
- EGD in list
- EGS should have obvious ecological and environmental efficiency;
- PPM should not be regarded as measurement of EGS.

Scope of EGS

- Pollution management(specific end-of-pipe abatement) : such as waste water management; air pollution control; solid waste management; noise and vibration abatement; environmental additives, monitoring, analysis and assessment equipment;
- Sustainable agricultural products, mainly organic food and green food
- Renewable and new energy and related equipment.
- Recycled materials: such as recycled paper, plastics.
- Eco-tourism;
- The above related technology, supervision, training, certification, R&D, etc.

Green Food

- The organic agricultural system in the center of Europe may not necessarily be in conformity with the agricultural situation in most developing countries. It is more practical for developing countries to promote green agricultural system and green food, allows the use of minimum chemical matters in the productions and constitute food that lays sound foundation for organic food. Accordingly, green food is between ordinary or conventional food and organic food, representing a third category food. Since 1990, China has been developing green food, which contributes to great achievements in economic, social and environmental efficiency. In South Korea, similar food is named as low-pesticide agricultural products, or low-pesticide and low-fertilizer products in Japan. This kind of food can be developed through establishing entire system of labeling, certification and monitoring, mutual recognition.

Domestic supporting measures to EGS

- The domestic supporting measures to EGS should be adjusted based on WTO disciplines.
- These direct and indirect domestic supporting measures which have trade distorting effects should be removed in order to maintain equal competition.

Positive Trade impacts on the developing countries

- Some may obtain potential benefits from export increase in sub-regional or regional market.
- Most of the developing countries can obtain trade benefit from export increases of green food and organic food.
- the increase of foreign investment in this industry may also expand the exports of EGS of the developing countries.

Negative Trade impacts on the developing countries

- Their exports of EGS to the developed countries are still affected by technical barriers to trade.
- Net importers of products and services in pollution management. Their domestic environmental industry in this field will be effected seriously

Complicate impacts on the environment

- The importation of advanced environmental technology and equipment can promote the capacity building in environmental protection . But they will pay high economic cost. The combination of advanced technology and appropriate technology will be suitable for most developing countries.
- Most developing countries will obtain benefits from the increase of foreign investment in environmental industry as the transfer of technology and know-how.
- Most of the developing countries will obtain huge eco-benefits from the development of green food and enjoy food safety.

Priority should be given to EGS provided by developing countries

- Since the large trade and environmental impacts of liberalization of EGS on the developing countries, in the negotiation of list of EGS, priority should be given to the goods and services provided by the developing countries.

Special and differential treatment

- Special and differential treatment should be enjoyed by the developing countries especially the least developed countries in tariff deduction and period of transition
- Much more attentions should focus on strengthening the capacity building of the developing countries

Special concern to technology transfer and Public health and preventing public pollution

- The important issue of relationship between public health and preventing serious public pollution with transfer of advanced environmental technology of the developed countries should be emphasized in the negotiation and special rules should be established