

Expert Meeting on Definitions and Dimensions of  
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**Trade liberalization of environmental goods and services and their impacts on developing countries**

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1. As main technological supporting system, environmental goods and services(EGS) play important roles in promoting sustainable development. In the trade and environment negotiation to the new round multilateral trade negotiation, the trade liberalization of environmental goods and services is listed in 31(iii) of Doha Ministerial Declaration.

2. Principles for identifying environmental goods and services

(1)Special use-end use: EGS indicate the goods and services only used to measure, prevent and control environmental pollution and improve eco-system.

(2)No multi-use: the products and services which can be used in many ways should be removed from lists of EGS.

(3)EGD in list: all of the negotiated EGS should be put into a list. APEC list and OECD list provide useful information, but CTE should establish

its own list provided by WTO members;

(4)EGS should have obvious ecological and environmental efficiency;

(5)Since being very complicated and there is great argument on it, PPM should not be regarded as measurement of EGS.

### 3.Scope of EGS

(1)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; etc..

(2)Sustainable agricultural products, mainly organic food and green food: Food safety is a crucial problems concerned by the international community in the new century. International standards have been made for the organic food, organic food should be regarded as environmental goods owing to their great environmental benefits. 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 production process 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; Japan has also developed a category of food that are called low-pesticide and low- fertilizer products. This kind of food can be developed through establishing entire system of labeling, certification and monitoring. Through efforts, international standards of this kind of food should be

established and mutual recognition can be reached. Therefore, this kind of product should be listed as environmental goods and services.

(3)Renewable and new energy and related equipment.

(4)Recycled materials: such as recycled paper, plastics, etc.;

(5)Eco-tourism;

(6)The above related technology, supervision, training, certification, R&D, etc.

4.The tariff level should be decreased through negotiation, and many related non-tariff, especially technical barriers should be removed or keep in line with WTO disciplines.

5.Owing to the nature of public goods and services, many domestic supporting measures have been provided to EGS. But it is important to realize that more and more environmental goods and services have been pushed into market. Therefore, as the speeding up of process of trade liberalization of EGS, it is necessary to make assessment to impacts of these domestic supporting on international trade of EGS. The domestic supporting measures to EGS should be adjusted based on WTO disciplines. These domestic supporting measures which have trade distorting effects should be removed in order to maintain equal competition.

6.The trade impacts of liberalization of EGS on the developing countries are obvious. As the decrease of tariffs and removal of NTBs of the other countries, some developing countries may obtain potential benefits from

export increase in sub-regional or regional market. Their exports of EGS to the developed countries are still affected by technical barriers to trade. Most of the developing countries can obtain trade benefit from export increases of green food and organic food. But most of the developing countries are net importers of products and services in pollution management. Their domestic environmental industry in this field will be effected seriously, although some products will increase competition as the pressure of foreign products. Of course, the increase of foreign investment in this industry may also expand the exports of EGS of the developing countries.

7.The impacts of trade liberalization of EGS on the environment of the developing countries are very complicate. The importation of advanced environmental technology and equipment can promote the capacity building in environmental protection of the developing countries. But they will pay high economic cost. The combination of advanced technology and appropriate technology will be suitable for most developing countries. But 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 especially the increase of exports. They can also solve the problems of food safety.

8. 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.

9. Special and differential treatment should be enjoyed by the developing countries especially the least developed countries in tariff deduction and period of transition. The developed countries should shorten the protection period to the patent rights of their environmental goods which are very important for the environmental improvement to the developing countries. Much more attentions should focus on strengthening the capacity building of the developing countries. The transfer of environmental technology to the developing countries should be pushed through many ways.

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