

Committee on Trade and Environment

ECO-PACKAGING; OVERVIEW OF RECENT WORK
IN OTHER INTERNATIONAL FORA

Note by the Secretariat

I. INTRODUCTION

1. This Note has been prepared in response to the request by the Committee on Trade and Environment (CTE) for an overview of work recently undertaken in other international fora in the field of eco-packaging, particularly with respect to its market access effects.¹ While a number of recent studies have been produced on eco-packaging and are presented below, more empirical evidence on its market access effects is required.²

2. The organizations reviewed in this Note include: (a) the International Trade Centre (ITC), (b) the Organisation for Economic Co-operation and Development (OECD), and (c) the International Organization for Standardization (ISO).

II. THE INTERNATIONAL TRADE CENTRE

3. In 1997, the ITC published four types of documents pertaining to eco-packaging: (a) packaging data fact sheets, (b) export packaging notes, (c) packaging publications relating to issues that arise from the Agreements on Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) Measures, and (d) eco-packaging technical papers.³

4. Packaging data fact sheets present an overview of the eco-packaging schemes in place in developed countries. The following fact sheets are the most relevant to market access:

- (i) The Packaging Legislation of Italy and its Potential Impact on Export Packaging from Developing Countries (No. 41);
- (ii) The Packaging Legislation of Spain and its Potential Impact on Export Packaging from Developing Countries (No. 42); and
- (iii) The Packaging Legislation of the United States and its Potential Impact on Export Packaging from Developing Countries (No. 43).

¹A similar Note, WT/CTE/W/45 (15 April 1997), was prepared by the Secretariat on eco-labelling.

²Information on the market access effects of eco-packaging was previously reviewed by the Secretariat in TRE/W/9 (10 March 1993) on the *Trade Effects of New Packaging and Labelling Requirements Aimed at Protecting the Environment*, and in WT/CTE/W/26 (26 March 1996) on *The Effects of Environmental Measures on Market Access, Especially in Relation to Developing Countries, In Particular the Least Developed Among Them*.

³For a full list of 1997 ITC publications in the area of eco-packaging, delegations are invited to consult the WTO Secretariat.

5. Despite their titles, the above-mentioned fact sheets are not designed to discuss market access effects, but try to provide exporters with factual information about the regulations they need to comply with. However, they are useful to market access issues in so far as they highlight the different aspects of eco-packaging schemes that developing countries have to adapt themselves to.

6. The ITC has issued only one export packaging note in 1997, designed to lay out the regulations with which developing country exports must comply for sale in France and Switzerland. The note is entitled "Packaging for Export Products from Developing Countries, in Light of Relevant French and Swiss Environmental Regulations Concerning Packaging" (No. 41). The market access effects are not themselves the subject of discussion in this note, where focus is placed on describing French and Swiss regulations.

7. Of the packaging publications related to TBT and SPS issues, the publication entitled "The Packaging Legislation of the United Kingdom and Its Implications for the Exporters of Packaged Products" (No. 36), is the most relevant to market access. It describes the packaging legislation of the UK, and very briefly discusses how it may be complied with. Conclusions reached, that could be relevant to market access discussions, are of the following nature:

The impact of the regulations on companies which choose to meet their obligations privately will be considerable. Companies planning to do this should start preparing at once to gather all necessary data, as they will thus find meeting the legislation's demands far easier and less onerous than if they wait for the final deadline.

8. Of the ITC's eco-packaging technical papers, the two studies of relevance to market access include:

- (i) Safe and environmentally acceptable packaging - current criteria and life cycle data in industrialized countries (No. 40); and
- (ii) Adapting packaging to meet market, health and safety and environmental requirements in developing countries in Africa (by C.B. Thornton).

9. The first of these papers is designed to inform exporters to industrialized countries of developments in eco-packaging, and in health and safety regulations as they apply to food packaging. The second is a case study of the packaging industry in Zimbabwe, and of how it has had to change to meet environmental regulations in export markets. The paper describes the environmental problems associated with different forms of packaging used in Zimbabwe, and concludes with a number of recommendations for developing country exporters.

III. THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

10. At the OECD's Joint Session of Trade and Environment Experts, held in Paris from 28-29 April 1997, it was agreed that future work would be undertaken on life-cycle management policies that deal with issues such as packaging, take-back requirements and recycling programmes.

11. Recent OECD studies that have touched on the issue of eco-packaging, have examined the principle of extended producer responsibility (EPR).⁴ According to the OECD, EPR is an emerging

⁴The OECD is organizing an Extended Producer Responsibility (EPR) Workshop on Lifting Barriers and Limits to EPR Approaches, to be held in Helsinki, Finland, from 11-13 May 1998. The workshop will address the potential effects of EPR on trade and competition.

strategy being used in OECD (and other) countries to promote the integration of environmental costs associated with products throughout their life cycles into the market price of the products.

12. As many OECD governments have expressed an interest in EPR, which several view as an interpretation of the Polluter Pays Principle, the OECD has identified the instances in which this principle has been used in OECD countries, and examined the key issues to be addressed in EPR strategies. EPR has been applied in the area of packaging. Of the studies to be consulted in this regard are the following:

- (i) Extended Producer Responsibility in the OECD Area, Report on Legal and Administrative Approaches in Member Countries and Policy Options for EPR Programmes. Phase 1 Report. OECD Environment Monographs No. 114. 1996.
- (ii) Extended Producer Responsibility. Phase 2: Case Study on The German Packaging Ordinance. Group on Pollution Prevention and Control. 1997.
- (iii) Extended Producer Responsibility. Phase 2: Case Study on The Dutch Packaging Covenant. Group on Pollution Prevention and Control. 1997.

13. With respect to the market access effects of eco-packaging, the first of the above-mentioned studies is of some relevance. It briefly examines how EPR is applied to packaging through different instruments, such as deposit-refund schemes and product charges (although this is not its main focus), and addresses the effects of EPR on competition and international trade.

14. In the case study on the Dutch Packaging Covenant, the Covenant is assessed as a policy tool for implementing EPR. Its environmental implications, impact on resource efficiency, technological innovation, and effect on industrial competitiveness are assessed. It is the latter section that is the most relevant to market access, but is fairly brief and confined to Dutch producers.

15. While the case study on the German Packaging Ordinance addresses similar issues, it does not have a section on industrial competitiveness. However, information on the potential market access effects of the Ordinance may be derived from a section entitled "Economic Evaluation of the Packaging Ordinance".

IV. INTERNATIONAL ORGANIZATION FOR STANDARDIZATION

16. Two of ISO's Technical Committees address packaging. Technical Committee 122 on Packaging works on standardization in the field of packaging with regard to terminology and definitions, packaging dimensions, performance requirements and tests. Technical Committee 52 on Light Gauge Metal Containers works on standardizing these containers. However, neither one of these two Committees addresses the environmental aspects of packaging.
