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Committee on Trade and Environment

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**UPDATE ON THE FOSSIL FUEL SUBSIDIES REFORM (FFSR) JOINT MINISTERIAL
STATEMENT**

COMMUNICATION FROM NEW ZEALAND

This document is being circulated at the request of New Zealand and reflects the presentation done during the Committee on Trade and Environment (CTE) regular meeting held on 2 February 2022.

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1. New Zealand is pleased to provide the Committee with an update on the joint Ministerial Statement on fossil fuel subsidy reform issued in December 2021.
 2. As colleagues will recall, the coordinators of the three trade and environment initiatives – the Plastics pollution and environmentally sustainable plastics trade (IDP), the Trade and Environmental Sustainability Structured Discussions (TESSD), and the Fossil Fuel Subsidies Reform (FFSR) – had planned to hold a joint event at WTO 12th Ministerial Conference (MC12) to launch the three Ministerial Statements. When MC12 was postponed, it was decided to continue with the joint launch event virtually on 15 December 2021.
 3. A number of Ministers representing the more than 80 co-sponsors across the three initiatives joined the WTO Director-General and stakeholders in launching and celebrating these statements.
 4. New Zealand is proud to report that 45 WTO Members signed on to the joint Ministerial Statement on fossil fuel subsidy reform.
 5. In doing so cosponsors have called for the rationalization and phase-out of inefficient fossil fuel subsidies that encourage wasteful consumption along a clear timeline and committed to sharing information and experiences to advance the discussion at the WTO. Cosponsors continue to recognize that reform needs to take fully into account the specific needs and conditions of developing countries and minimize the possible adverse impacts on their development.
 6. New Zealand looks forward to engaging with cosponsors to continue the important work – including to make good on the shared commitment to elaborate concrete options to advance this issue at the WTO ahead of MC13.
 7. As New Zealand stated at the last CTE meeting in October 2021 – the empirical evidence supporting the need for action on fossil fuel subsidies to meet our climate change and sustainable development objectives is clear.
 8. The WTO is the appropriate forum to translate into concrete action the commitments on fossil fuel subsidy reform made by our Leaders at COP26 and in the Sustainable Development Goals.
 9. The joint Statement remains open to new co-sponsors, and we continue to encourage Members who have not signed on to do so.
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