OUTLINE OF POINTS FOR STRUCTURED DEBATE ON
ENVIRONMENTAL MEASURES AND TRADE

Note by the Chairman of the CONTRACTING PARTIES

At its meeting on 6 February, the Council requested me to hold informal consultations on the subject of International Trade and the Environment. Based on these consultations and taking into account the specific suggestions made by delegations, I have formulated an outline of points which delegations may wish to take into account in participating in the structured debate in the GATT Council on environmental measures and trade. The purpose of such a debate would be to identify measures taken on environmental grounds which could affect trade and development in the light of the provisions in GATT and Tokyo Round instruments.

I am circulating this outline on a personal basis and on my own responsibility and would like to emphasize that it is not exhaustive nor intentionally selective. Nor can it be binding on any delegation.

I: RELATIONSHIP BETWEEN ENVIRONMENTAL POLICIES, TRADE POLICIES AND SUSTAINABLE DEVELOPMENT, INCLUDING FURTHER LIBERALIZATION OF TRADE

II: IDENTIFICATION OF MEASURES TAKEN ON ENVIRONMENTAL GROUNDS THAT DIRECTLY OR INDIRECTLY AFFECT INTERNATIONAL TRADE

A. Policy Measures:

1. Import restrictions, prohibitions and charges
2. Export restrictions, embargoes and charges
3. Internal taxation

- Examples: Emission charges: taxes on the discharge of air, water and soil pollutants and on the generation of noise; Product charges: taxes on products, such as fuels, pesticides and detergents containing pollutants
4. Subsidies and other fiscal incentives

- Examples: Subsidies: such as subsidies granted for adoption of environmentally friendly technology; or
  Fiscal incentives: lower taxation rates used to encourage the purchase of "clean cars" or the use of lead-free petrol

5. Environmental regulations laying down product standards, production methods, emission norms, packaging and labelling requirements, quality standards, conformity assessment procedures, health and phytosanitary norms, and other requirements

B. Transparency of such policy measures

III: IDENTIFICATION OF SECTORS OF PARTICULAR INTEREST TO DEVELOPING COUNTRIES, TAKING INTO ACCOUNT THEIR TRADE, FINANCIAL AND DEVELOPMENT NEEDS, IN WHICH TRADE MAY BE AFFECTED AS A RESULT OF ENVIRONMENTAL POLICY MEASURES

The following are some of the sectors which may be of special interest to developing countries:

1. Tropical timber
2. Fish and fish products
3. Food and food products
4. Minerals and metals

IV: TRADE PROVISIONS IN INTERNATIONAL ENVIRONMENTAL INSTRUMENTS; PRINCIPLES AND CONCEPTS ADOPTED OR UNDER DISCUSSION

  Tradeable permits, including international tradeable permits.
IDENTIFICATION OF GATT ARTICLES AND TOKYO ROUND INSTRUMENTS RELEVANT TO TRADE MEASURES TAKEN FOR ENVIRONMENTAL PURPOSES

A. GATT Articles:

- Article I - MFN Treatment,
- Article III - National Treatment on Internal Taxation and Regulation (refer also to Article II:2(a))
- Article V - Freedom of Transit
- Article VI - Anti-dumping and Countervailing Duties
- Article VIII - Fees and Formalities connected with Importation and Exportation
- Article X - Publication and Administration of Trade Regulations
- Article XI - General Elimination of Quantitative Restrictions
- Article XIII - Non-discriminatory Administration of Quantitative Restrictions
- Article XVI - Subsidies
- Article XVIII - Governmental Assistance to Economic Development (sections A, B and C)
- Article XX - General Exceptions (particularly subparagraphs (b) and (g))
- Articles XXII and XXIII - Consultation and Dispute Settlement
- Part IV - Trade and Development
  - Article XXXVI: Principles and Objectives
  - Article XXXVII: Commitments
  - Article XXXVIII: Joint Action

B. Tokyo Round Instruments:

1. Agreement on Technical Barriers to Trade
2. Agreement on Subsidies and Countervailing Measures
3. Agreement on Import Licensing Procedures
4. Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance
5. Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries