I am speaking on behalf of Representatives of ASEAN countries contracting parties to the General Agreement; Malaysia, Indonesia, Thailand, the Philippines and Singapore.

To begin with, Mr. Chairman, let me pay tribute to Ambassador Ricupero for his important and constructive effort to search for a proper and wholesome response to the EFTA proposal. We believe his efforts should continue.

I wish also to acknowledge the views of EFTA as articulated by the Austrian Ambassador yesterday, which to a large extent, shares the views held by my delegation and that of the ASEAN's.

I wish also to acknowledge the response of many speakers towards the ASEAN paper contained in document L/6859; and for their support.

The ASEAN countries welcome this debate in the Council on trade and environment. Given the importance of the subject it would be appropriate that we have a full and thorough discussion in the Council on all aspects of the relationship between trade and environment. That would no doubt contribute to a better understanding and appreciation of the relevant issues, which would also help us, especially developing country contracting parties, to determine the direction and manner in which we should address the question of trade and environment in the GATT.

Delegations which participated in the informal consultations on trade and environment on 23 May 1991 under the Chairmanship of Ambassador Ricupero, would recall that ASEAN had stated the view that the GATT should not rush into adopting definitive decisions on the question of trade and environment given the broad implications of environmental concerns and measures from the trade point of view. Moreover, since preparations for the 1992 UNCED are in progress, and that a great deal of scientific and technical uncertainties still prevail in the area of environment, it is essential that a step-by-step approach be adopted in addressing the trade and environmental issues in the GATT.
We also consider it crucial that these steps should be transparent so as to serve the balanced and complementary interests of all parties within and between the GATT and in UNCED. It is undesirable for parties to pursue unco-ordinated and contradictory views in these or other fora concerning the same questions.

ASEAN countries are very concerned that global environment has been seriously degraded through the life-style and inappropriate policies of industrialized and western nations. Most of these effects have been transformed and circulated into a global problem.

Environmental degradation

The environmental degradation is manifest in:

(a) The severe depletion of the ozone protective layer of the earth by uncontrolled production and utilization of chemical agents which destroy the ozone.

(b) The severe global warming due to excessive accumulation of greenhouse gases resulting principally from $CO_2$ emission and other related gases; and to a smaller extent due to agrifultural activities, destruction of global forest covers and poor management of resources. About 75 per cent of the $CO_2$ emitted into the atmosphere are from the developed countries.

(c) The high radiation from nuclear explosions, power generation, and industrialization.

(d) The severe ecological pollution through indiscriminate industrial, chemical and agricultural wastes disposal by developed countries in global communes and in developing countries; and

(e) The severed audio and spacial pollution due to uncontrolled competition in the use of air waves and space.

Environmental degradation has reached global proportions affecting all nations and societies - thus forcing even those least contributing to it to take measures to protect themselves and to contribute to international efforts in order to re-establish both ecological equilibrium as well as the safe and proper disposal of all forms of wastes. Global environmental efforts have become a crucial area of international co-operation.

No country can be excluded from this co-operation; and since each has differentiated responsibility in causing global environmental damage and is also differently affected, co-operation must be borne in accordance with the principles of responsibility, justice, equity, capacity and needs.

In consideration of the fact that causes and effects of the environmental degradation are still not clear, and that sound and scientific researches are still required in several crucial areas, any international environmental arrangement must also be tempered with the appropriate precautionary principle.
International measures or efforts to address the global environment must be dealt with comprehensively and within terms and principles universally accepted by the UNCED 1992.

**Relationship of environmental policies to trade and sustainable development**

Contribution of developing countries to combat global environmental degradation has to be taken in relation to sustainable development. Global under-development has been the direct result of an inappropriate transfer of resources. It is the inevitable companion of global environmental degradation. In the pursuit of environmental conservation and sustainable development at the global level, developing countries would not only require enhanced technology but also additional economic resources, failing which they would constitute weak links in the global environmental efforts. In this connection we wish to highlight the following:

(a) Poverty has been the result of and is one of the greatest threats to the environment. Any plan of action to deal with environmental degradation has to include, as its core, programmes to reduce poverty, and improvement of the livelihood of the people in the developing countries. Environmental concerns should not be used to introduce a new form of conditionality in aid, development financing, and trade.

(b) It should be recognized that countries have permanent sovereignty over the use and management of resources within their own territories, and the right to develop them in accordance with their needs and level of socio-economic development.

(c) A supportive international economic environment, which promotes sustained economic growth and development would encourage and enable developing countries to pursue sound management of their environment; thus directly contributing to a sustainable global environment.

(d) Improved market access for resource-based products would increase export of greater value-added products, and which would increase export earnings. That would, at the same time reduce over-exploitation and the export of natural resources and raw materials. In this regard, we are generally faced with tariff escalation, which in fact encourages the over-exploitation of raw materials and resources in developing countries.

(e) Restrictive trade practices, and tariff and non-tariff barriers, are also serious obstacles to sustainable development which in turn hinder efforts, and reduce the capability to cope with environmental degradation. Hence, improvement in market access and financial and technical assistance, together with technology transfers, are necessary conditions for sustainable development and the improvement and protection of environment.
(f) We should also recognize and acknowledge the relationship between external indebtedness of developing countries, and the phenomenon of net transfers of resources from developing to developed countries, and hence the inability of the developing countries to cope effectively with the global environmental degradation poised upon the global community.

**Transfer of environmentally-sound technologies**

Two relevant aspects in respect of transfers of environmentally-sound technologies are the question of: development of biodiversity and biotechnology, and the transfer of environmentally-sound technologies.

In recent years biotechnology has emerged as an important tool to commercialize biological resources. Accordingly, the issue of patent protection for modified life-form has raised many unresolved questions about ownership and control of genetic resources, and this has led to the concept of "private ownership" of life-forms. We have to ensure that having a technical capability to develop a particular genetic resource does not give exclusive rights to ownership or profit unless original ownership of genes is appropriately recognized at the same time. Intellectual property rights may increase the cost of access to and transfer of such technologies, which among others, can be used for in-situ and ex-situ conservation of biological diversity. This will in effect limit developing countries in using such technologies for the effective conservation and national utilization of the biological resources.

On the question of environmentally-sound technologies, it has to be borne in mind also that for developing countries to contribute to global efforts on the environment, and at the same time to introduce higher environmental standards locally, the question of favourable access to environmentally-sound technologies needs to be resolved. Related to this are the questions of concessional or preferential financial terms and also patent protection.

**Environment and GATT - disguised trade protection**

Environment could, and has been, used as a convenient cover for protectionist motives, particularly to keep out imports from countries which have a better competitive edge or comparative advantage. Moreover, there is already an increasing tendency to use trade policy instruments to support environmental objectives, some of which are based purely on ethical considerations, or are implemented as the result of political pressure from domestic groups, which are becoming important vote banks in the developed countries, and therefore, have significant political influence. We should, therefore, be very careful of the approach and direction that we want to take in the GATT in addressing the question of trade and the environment. GATT provisions that would in fact facilitate or provide easy justification to countries to apply environmental measures for political and other coercive reasons would be undesirable. Such an approach should be resisted.
ASEAN is also concerned with the increasing tendency by some countries, mostly reacting to pressures from domestic environmental groups, to use trade instruments to address environmental concerns and to influence environmental practices in other countries. We consider these actions to be arbitrary, discriminatory and trade restrictive and they are counterproductive. Moreover, there is no GATT justification for such actions.

The ASEAN countries already see this in the area of forestry. We are of the view that the issue of tropical forests must not be allowed to be singled out without equal and balanced treatments of global forest cover and other environmental issues, particularly on the need to control and reduce greenhouse gas emission within the developed countries and the links between sources and sinks. Industrial pollution caused over the centuries in the developed countries has been the leading and major factor in the deterioration of the global environment, but deforestation seems to be portrayed as the most serious environmental threat currently facing mankind.

There is also now a growing trend towards "eco-labelling". Countries that develop standards for the so-called "environment friendly" products are in fact erecting non-tariff barriers, that favour domestic products against competing imported products.

The ASEAN countries also feel it important to emphasize that the setting of standards, or the harmonization of environmental or product standards, does not come within the purview or competence of GATT. It is certainly not a rôle for the GATT. The work of setting international environmental standards belongs to international organizations that have the competence and responsibility for that purpose.

Conclusion

The ASEAN countries wish to reiterate that the Council should not rush into adopting definitive decisions regarding environment in the GATT, and that it is essential that a step-by-step approach be followed in addressing these issues in the GATT. It is essential that all countries should be able to come on-board to examine the relationship between trade and the environment as it relates to them and to the global community. Only in this way will the problem be adequately and properly addressed.

Arising out of our concerns, the contracting parties' members of ASEAN propose that the GATT secretariat be requested to prepare a factual paper on the subject of "Trade and Environment" which should be submitted to the GATT Council. The Council could then decide on how to deal with the paper in relation to the UNCED 1992 process. That decision could be in any form most appropriate in the light of this and ensuing debate. However, it will not be prudent to prejudge the outcome of the UNCED 1992 by placing before it multilateral sets of disciplines or standards relating to the environment.
The factual paper which the GATT Secretariat would produce could contain the following elements:

(i) Historical background on circumstances which led to the establishment of the 1971 Working Party with its particular mandate.

(ii) Background information on any other GATT work in the past on environmental issues.

(iii) Describe how existing international arrangements on environmental protection, such as the Vienna Convention, Basel Convention, etc., affect GATT principles.

(iv) Listing of trade measures taken by countries for environmental protection, and other environmental measures with trade implications.

The paper prepared by the secretariat should be only for the purpose of providing background factual information. The paper should not attempt at an assessment of the broad question of the effects of environmental policies and measures on international trade. Such an assessment, at this stage, would at best be complete and misleading.