Green trade liberalisation - Green Goods Initiative

Civil society meeting, 11 June 2014
1. What are green/environmental goods and services?

• Term used in the Doha Ministerial Declaration/DDA negotiations

• **Different lists of products** (WTO lists, World Bank list, APEC list of 54)

• Different categories of goods, e.g.:
  – renewable energy technologies (solar, wind, biomass, hydro)
  – air pollution control technologies,
  – resource efficient technologies and products;
  – recycling systems,
  – waste and water management
  – environmental monitoring

• **Traditional environmental services in GATS** (e.g. water, waste management)
2. World trade in green goods

*Raising global demand (expected to double by 2020) → increase in global trade*

Source: OECD (2013)
3. Green sector in the EU

- **Technologically advanced world-class** EU-based industry driving the *innovation* process;

- **Employment**: considerable job creation in green sector;
  - increase from 3 to 4.2 million (2002 and 2011) across the EU.
  - 20% growth rate throughout the recession years (2007 to 2011).

- **EU world leader in export and import** of green goods and technologies;
  - EU export - **EUR 146 bn**, 8% of EU total export (2013)
  - EU import - **EUR 70 bn**, 4% of EU total import (2013)
  - annual growth rate – more than 10 per cent in recent years
4. Benefits of green trade liberalisation

- **Cheaper access** to environmental goods and technologies needed to *address environmental challenges*, such as air, water pollution

- Helps in rapid process of *urbanisation* (e.g. green cities).

- **Export opportunities**, creates *employment*

- Helps *advance the DDA mandate* on liberalisation of green goods and services
5. Green trade liberalisation

The EU is actively engaged at the international level to liberalise trade in green goods and services.

We advocate for trade liberalisation this through various avenues:
(1) multilateral (WTO)
(2) plurilateral,
(3) bilateral (FTAs), as well as
(4) enforcement of the existing rules.
6. Work in the WTO

- **DDA Declaration (para 31)** – negotiations to enhance the mutual supportiveness of trade and environment
  
  (i) the relationship between WTO rules and multilateral environmental agreements (MEAs)
  (ii) information exchange between MEAs and the WTO, and observer status
  (iii) liberalisation of trade in environmental goods and services

- Negotiations have been progressing slowly
7. Green goods initiative

- **September 2012** – Asia Pacific Economic Cooperation: commitment to reduce applied tariffs on 54 green goods to 5 per cent or less by the end of 2015;

- *informal Friends' discussions in Geneva*;

- EU industry initiative: Free Trade for Clean Tech Coalition;

- **June 2013** – President Obama's climate action plan;

- **October 2013** – APEC decides to "explore possibilities in the WTO to build on the APEC outcome";

- **November 2013** – EU-China summit – "building on the APEC outcome in the WTO";

- **December 2013** – 9th WTO Ministerial Conference;

- **January 2014** – EU 2030 climate and energy framework
7. Green goods initiative

- **Sectorial initiative**, launched on 24 January 2014 in Davos,

- **Members**: 14 WTO Members: EU, US, Australia, China, Canada, New Zealand, Japan, Korea, Norway, Switzerland, Costa Rica, Chinese Taipei, Hong Kong, and Singapore

- **Coverage**: critical mass around 90% but open to any other WTO Member sharing similar level of ambition
7. Green goods initiative

- **Objective:** MFN-based agreement anchored in WTO:
  
  1 stage → to eliminate tariffs on a broad number of environmental products: basis APEC 54 goods + additional products
  
  2 stage → to address Non-Tariff Barriers s and services

- **Form:** plurilateral negotiations → final objective: multilateralisation

- Complementary effort to the DDA

- **Start of the negotiations:** July 2014
7. Green goods initiative

- Internal preparation process in Davos group ongoing;
  - e.g. US→ a 90-day notification to Congress

- **Council Conclusions** on green goods of 8\(^{th}\) May 2014

- Technical work and consultations with MS and stakeholders

- **Public consultations** on green goods – deadline 31 July 2014

- Outreach to other WTO Members

- 8\(^{th}\) July – *global event on the green goods initiative* in Geneva
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