

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

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TRADE AND ENVIRONMENT

Statement by the delegation of the European Communities

Environment policy was originally not provided for in the treaties establishing the European Communities. It has since become one of the most important Community policies. In particular, the Single European Act has given a decisive impetus to the Community's action in the field of the environment, recognizing the need to combine the setting up of the internal market with a high level of environmental protection, as well as the desirability of pursuing environmental objectives as a legitimate end in itself.

It is important to note in this context that, according to the recent amendments of the EEC Treaty through the Single Act, "environmental protection requirements shall be a component of the Community's other policies".

This principle applies both to the internal policies leading to the establishment of the internal market and to the EC's trade policies. The various policy instruments are increasingly being used to achieve environmental goals. The main areas where such instruments have been introduced are the following:

1. The Community adopts environmental standards which refer to a wide variety of products, ranging from detergents to aircraft, and have been established for many different reasons (combat against water and air pollution, noise reduction, health protection etc.). However, the Single Act lays down that the Commission, in its proposals concerning health, safety, environmental protection and consumer protection, will take as a base a high level of protection.
2. The Community also adopts other technical measures such as testing requirements in order to ensure compliance with existing environmental standards. Similarly, a Community system for classification, packaging and labelling of chemicals was established in 1967. This system was initially merely intended to avoid trade distortions. However, by the late 1970s, the primary motivation has become environmental. An important amendment of the directive on classification, packaging and labelling established a common notification procedure for new chemicals, and a classification and labelling procedure for dangerous ones. The central idea was to provide a single doorway through which all new substances would have to pass on their way to the Community market, including a screening for potentially adverse human and environmental impacts.

The Community has also turned its attention to biotechnology. Two directives on the contained use of genetically modified micro-organisms and on the deliberate release into the environment of genetically modified organisms were adopted in 1990. In accordance with these directives an environmental risk assessment must always be carried beforehand.

New measures are likely to be adopted in the near future on eco-labelling the use of which would, according to the Commission's proposal, remain voluntary.

There is a growing tendency worldwide to introduce import and export restrictions for a number of environmental purposes (e.g., protection of endangered species or control of dangerous substances). Most of such restrictions have been adopted pursuant to the obligations undertaken under international conventions, such as:

- the Convention on international trade in endangered species of wild fauna and flora (CITES), adopted in Washington in 1973;
- Montreal Protocol on substances to deplete the ozone layer (1987);
- Basle Convention on control of transboundary movements of hazardous wastes and their disposal (1989);
- the London guidelines finalized in 1987 by UNEP concerning the export and import of certain dangerous chemicals.

These international instruments have been negotiated with the active participation of the Community and have been or will be implemented through Community legislation. Moreover, the Lomé Convention contains specific provisions concerning the movement of hazardous and radioactive wastes. In addition, the Community has adopted some autonomous import bans or restrictions to ensure the protection of endangered species.

Finally, in June last year, the European Council recognized that "the traditional 'command and control' approach should be supplemented, where appropriate, by economic and fiscal measures if environmental considerations are to be fully integrated into other policy areas, if pollution is to be prevented at source, and if the polluter is to pay". In accordance with these policy orientations, the development of new economic and fiscal measures is likely to be one of the main priorities of the Community's Fifth Action Programme for the environment. Last but not least, the Commission adopted last month guidelines aimed at increasing the already high standards of environmental protection called for by the EEC Treaty, while at the same time maintaining the unity of the Single European market.

In accordance with this new approach, tax incentives would be authorized to encourage the early application of standards set up at Community level before they enter into force. Such standards will be

established in two stages: on the basis of the technology available by a given deadline (stage 1) or of the highest level of protection which can reasonably be envisaged in the light of the latest scientific and technological findings (stage 2).