Trade and Environment Division
Speaker Series

WHAT ROLE FOR TRADE IN THE GREEN TRANSITION?

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MAKING TRADE WORK FOR THE ENVIRONMENT, PROSPERITY AND RESILIENCE

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THE DEBATE ON TRADE AND ENVIRONMENT HAS COME A LONG WAY

“Grow now and clean up later”

Green protectionism

Race to the bottom

Pollution havens

Reduced competitiveness
THE DEBATE ON TRADE AND ENVIRONMENT HAS COME A LONG WAY

Mutual supportiveness

Green growth

Coherent and fit-for purpose policies

Trade for sustainable development

Green trade opportunities
A RISING NUMBER OF ENVIRONMENTAL PROVISIONS IN REGIONAL TRADE AGREEMENTS
AGENDA 2030 IDENTIFIES TRADE AS MEANS TO IMPLEMENT THE SDGS
PUTTING TRADE FOR ENVIRONMENT INTO PRACTICE

- Healthy trade relies on a healthy environment
  - What actions are needed to ensure that trade itself is resilient to environmental pressures and continues to deliver benefits?

- With global value chains, the environmental effects of consumption are often felt far and wide
  - How can global value chains become drivers of economic and environmental efficiency?

- Trade offers unique opportunities to unlock, accelerate and deepen the green transition
  - What are the specific opportunities and how can they best be captured?
Some 50% of globally traded grains pass through at least one of 14 “chokepoints”

Source: Bailey and Welesey (2017)
WITH GLOBAL VALUE CHAINS, THE ENVIRONMENTAL EFFECTS OF CONSUMPTION REACH FAR AND WIDE

Trade in virtual water, 1996-2005

Only biggest gross flows (>15 Gm³/year) shown

Net virtual water import (Gm³/year)

Source: Hoekstra and Mekonnen (2012)
Eliminating trade barriers would result in some countries importing:

- 63% more energy-efficient lighting
- 23% more wind power equipment
- 14% more solar power equipment

Trade accelerates the dissemination and reduces the cost of environmental solutions around the world
TRADE OPPORTUNITIES: SUSTAINABLE GOODS AND SERVICES

- Markets for **sustainable goods** are expanding
  - Global **organic food market** has more than quadrupled over the past 15 years (to $82 billion)
  - Proliferation of **certification and labelling schemes**
- Not just goods, but also services
  - Recent market studies indicate a growing portion of travellers are interested in **travel experiences that are good for residents and destinations**
  - 35% of holiday makers are likely to book **eco-tourism holidays** (GlobalData 2017)
TRADE OPPORTUNITIES: CIRCULAR ECONOMY

What is the role of trade in:

- Scaling up circular business models?
- Strengthening markets for reuse, remanufacturing and recycling?
- Helping countries close material loops?
USING TRADE FOR THE ENVIRONMENT AND PROSPERITY

Seizing green trade opportunities

Capacity building

Policy dialogue

Market access
The CTE supports WTO members in:

- Understanding the links between trade and environmental policies
- Learning from national experiences
- Avoiding green protectionism and strengthening synergies between trade and the environment
- Making recommendations on possible modifications to the provisions of the multilateral trading system
The WTO provides a **forum for negotiations** to deliver additional benefits for trade and the environment.

The WTO works with key partners to help **developing countries** use trade more effectively to achieve sustainable development.
Thank you for your attention

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