

GENERAL AGREEMENT ON

RESTRICTED

Spec(91)33

10 July 1991

TARIFFS AND TRADE

COUNCIL
29-30 May 1991
Item No. 1

Original: English

TRADE AND ENVIRONMENT

Statement by the Delegation of Turkey

My delegation welcomes this opportunity to debate in the Council issues concerning environmental measures and their impact on trade. In fact, we believe that this is a timely and useful exercise with respect to our future work in GATT.

Indeed, we witness that in recent years there has been a growing awareness on the part of national governments and in multilateral institutions that it is almost not possible to separate economic development issues from environmental ones. Our understanding is that these two areas of interest should be seen as being mutually supportive rather than conflicting. It is also important to note in this context that the GATT would have a rôle to play in managing this linkage between trade and the environment for the sake of giving further momentum to multilateralism, which we believe should be our main objective.

Several delegations have already brought to the attention of the Council their concern that environmental motives may be used as a pretext for the adoption of protectionist measures, or that trade measures may be used to support environmental policies without giving adequate consideration to their effectiveness. We all know that, in practice, environmental arguments are often cited in defence of the application of restrictions on trade. They may perhaps be justified in some cases, but, in others, I am afraid they may be only a pretext used for protectionist measures. In other words, it can be difficult to distinguish between pretexts and valid cases. We need, therefore, to monitor continuously specific issues and specific mechanisms to ensure that their intention is to serve sustainable development rather than vested interests.

As a starting point, an analytical work could be undertaken on the basis of case studies, which will aim at clarifying the effects of trade flows, trade policies and trade liberalization on the environment. On our part, we are of the opinion that removal of barriers which cause trade distortions might also reduce environmental distortions. But in any case, this work should also take into account the special situation and concerns of the developing countries. In this context, one should not forget that trade liberalization broadens export opportunities for developing countries while also promoting their sustainable development patterns.

Unfortunately, there is a growing difference in approach and standards between developed and developing countries regarding environmental issues. We are especially concerned by the fact that greater demand for compatibility to environmental policies may lead to more stringent environmental standards and reduce developing countries' access into the markets of the industrialized countries. There is also concern shared by several developing countries that certain products and processes which are banned in the industrialized world could find their way into the markets of the developing countries. These are legitimate concerns. The special situations and needs of the developing countries have to be taken into account in any work undertaken within the framework of GATT.

GATT rules and procedures were drafted at a time when environmental concerns were less prominent. Article XX spells out exceptions to the General Agreement that countries can withhold against meeting obligations under GATT rules and disciplines. Even as environmental concerns increase the philosophy behind this article has to be still kept in mind and any abuse or exaggerated use of new trade obstacles applied on environmental grounds should not be tried to be legitimized.

In our view, the Standards Code (Agreement on Technical Barriers to Trade) is also relevant to trade issues arising from technical regulations. The modified version of this Code that we are negotiating in the Uruguay Round, if adopted, would further require countries to examine whether the trade-restrictive effects of new mandatory standards are proportional to the legitimate objectives and in the event of disputes it would envisage basing risk assessment on inter alia "available scientific and technical information". A similar approach has been included in the new agreement that may be adopted in the area of sanitary and phytosanitary regulations.

I do not have the intention to enter into any details here. But those restrictions and bans imposed on the use of certain products or ingredients and the relationship between these measures and Articles I, III, XI and XX of the General Agreement merit examination. One could perhaps also mention the administrative charges and the linkage of this measure with Article VIII. Furthermore, the question of how to accommodate under GATT rules and disciplines, possible discriminatory treatments embodied in multilateral environmental conventions, is another question that needs to be discussed. It could be argued that such discriminations are temporary as in the Montreal Convention. However, it is also possible to entertain the idea that behind such discriminations lies the gradual introduction of production restrictions. This also raises the question as to whether compensation can be claimed by affected third parties. Finally, Part IV of the General Agreement and especially the principles and objectives embodied in Article XXXVI deserve equal attention.

This structured debate is no doubt very useful but we believe that the Council is not the appropriate forum to tackle all these technical issues. We think therefore that at this point in time the Council should ask the secretariat to prepare the necessary documentation requested by ASEAN

countries which can be taken as a basis by an open-ended Working Group. This Working Group may be the reactivation of the one created in 1971, but it must have a new terms of reference and trade and environment experts of all the contracting parties should participate in the endeavour.

Finally, to conclude, it is worth mentioning perhaps that work to be undertaken by the secretariat and particularly the one which will aim at clarifying the effects of trade flows, trade policies and trade liberalization on the environment can serve as an important contribution by GATT to the Rio Conference of 1992.