

# GENERAL AGREEMENT ON

RESTRICTED

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## TARIFFS AND TRADE

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### TRADE AND ENVIRONMENT

#### Statement by the Delegation of Japan

The outline of points that Ambassador Ricupero indicated for this structured debate reflects most of the important elements worthy of further exploration. Therefore, I would like to touch on some of his suggested points.

Concerning the first item, (relationship between environmental policies and trade policies), our basic view is that this relationship should be fully examined in the GATT with a view to creating a more stable and predictable international trading environment. We should see to it, collectively and individually, that trade policies on the one hand, and environment policies on the other, should be pursued in a balanced and compatible way. Multilateral dialogue on this issue, rather than an absence of such dialogued unilateral decisions, should be of value to all of us.

We approach this issue from the perspective of upholding GATT principles. The GATT already has certain rules concerning the relationship between trade policy and environment policy, such as Article XX. Certain environment-related measures are allowed as an exception to the normal rules of GATT but only under certain stringent conditions. This basic approach of the GATT is worthy of underlining at this juncture.

However, the question arises, can we rely on this principle alone in order to respond to the recent international and national developments? We believe we should act positively towards improving international co-operation and understanding of these issues.

There is growing uncertainty in international trade due to an increasing number of trade-restrictive measures taken in the name of the environment. The credibility or the relevance of the GATT will be at risk unless these issues are duly tackled in the GATT.

These are the reasons why we should examine this issue in the GATT.

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Concerning "Identification of measures taken on environmental grounds that directly or indirectly affect international trade", this is an essential and, indeed, the starting point of our exercise. I would like to point out firstly, that trade-restrictive measures taken for the purpose of the protection of the environment are increasing in number and becoming more and more elaborate. Therefore, we must examine carefully the trade impact of the measures and the justification for such measures in the light of the provisions of the GATT. In this regard, how to ensure adequate transparency of the measures would be a matter of major importance. It would be very useful therefore, if, as a first step, the secretariat could compile the available information and produce a background paper for our further reflection.

With respect to "Trade provisions in international environmental instrument", we should pay careful attention to the fact that certain international conventions require participating countries to take trade-restrictive measures against non-participants to the conventions. This situation, of course, raises the question of the possible conflict of such measures with the GATT. For this reason, there is a need for GATT to keep abreast of discussions under way in other fora. Also, we need to consider ways in which trade measures based on existing international instruments can be reconciled with the GATT. It is important to address such matters before some major problem arises, and not after.

In concluding my remarks, I would like to touch upon how we might deepen our dialogues in the days and months ahead. I note that ASEAN countries have put forward a constructive suggestion in document L/6859 of 29 May. As a general principle I support a step-by-step approach in which the issues are examined and analysed with care. However, we do need a forum, a working party, in order to initiate this step-by-step exercise.

It is in this sense that I fully support the initiative taken by the EFTA countries; their proposal is flexible on mandate and membership, although there is value in up-dating the terms of reference of the '71 Working Group. I would therefore look forward to a consensus in line with the proposal of the EFTA countries so that we, in this institution which is responsible for trade, can carry out our collective responsibilities.