ICTSD

International Centre for Trade
and Sustainable Development

Trade in Environmental Goods and Services and the Multilateral Trading System: Selected Issues

-Mahesh Sugathan, Session 1, MOC-UNESCAP-ITD-ARTNeT EGS Negotiations Training Course,
Bangkok, 10 Aug 2016

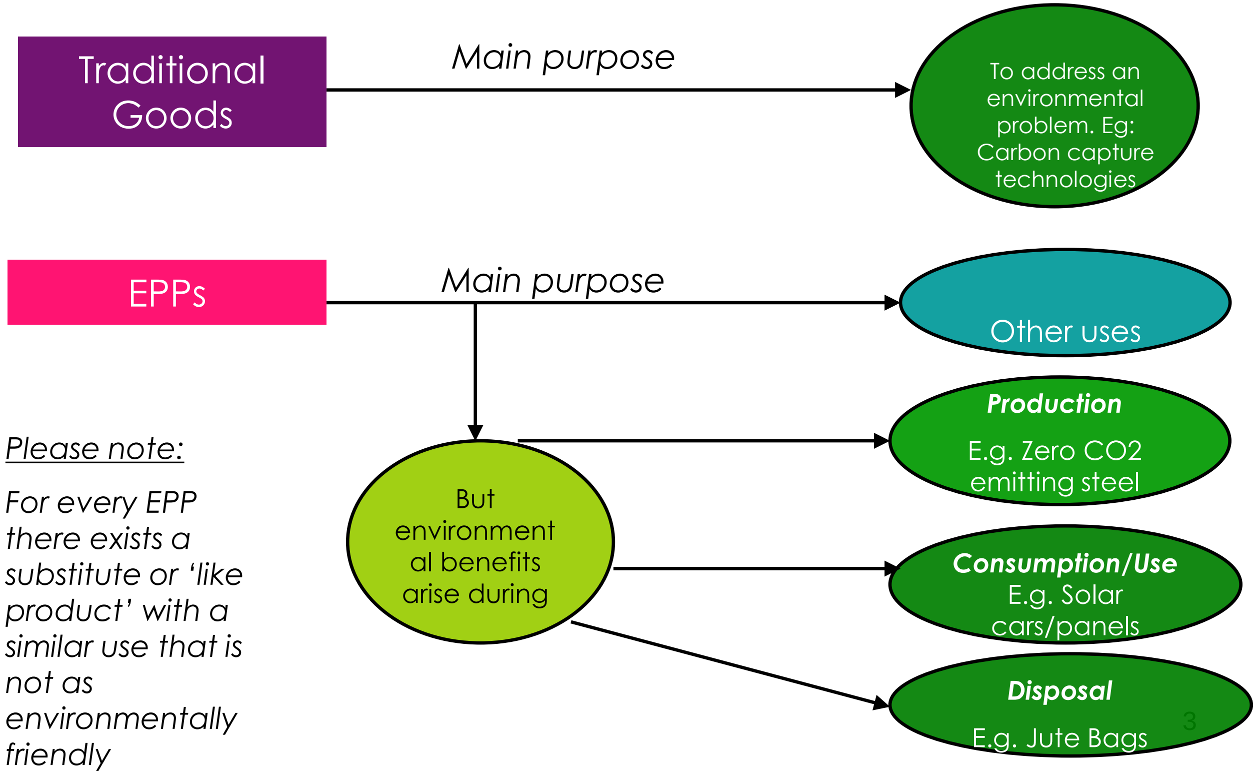
What are Environmental Goods?

- No Universally Accepted definition

- Definition of environment industry by the OECD as “activities which produce goods and services to measure, prevent, limit, minimise or correct environmental damage to water, air and soil, as well as problems related to waste, noise and ecosystems.”

- Broadly classified into ‘traditional’ environmental goods and environmentally preferable products.

Traditional Goods vs Environmentally Preferable Products



Please note:

For every EPP there exists a substitute or 'like product' with a similar use that is not as environmentally friendly

Implemented, Active and Dormant Trade-liberalisation initiatives with an exclusive focus on Environmental Goods

- **Implemented-APEC Voluntary initiative** by 21 member economies to reduce applied tariffs to no more than 5 percent. Status: IMPLEMENTED. Members have identified domestic tariff lines to liberalise under 54 HS sub-headings
- **Active-Environmental Goods Agreement (EGA)-Plurilateral initiative** by 17 economies to liberalise tariffs on environmental goods. Status: ONGOING. List of 300 products being discussed. Final coverage and modalities not determined but possibility of ‘staging’ of tariff liberalisation under consideration. Tariff-reduction/elimination benefits to be extended on MFN basis to all WTO members (including non-participating ones).
- **Dormant**-Para 31 (iii) of WTO Doha Ministerial Mandate: “ reduction or, as appropriate, elimination of tariffs and non-tariff barriers on environmental goods and services”. Stalled due to lack of progress in Doha round of talks.

Two sets of challenges facing trade negotiators on environmental goods

- **What to liberalise?**

-Broad vs narrow coverage

-Ensuring 'environmental credibility' and balancing with practical considerations with regard to implementation outcome

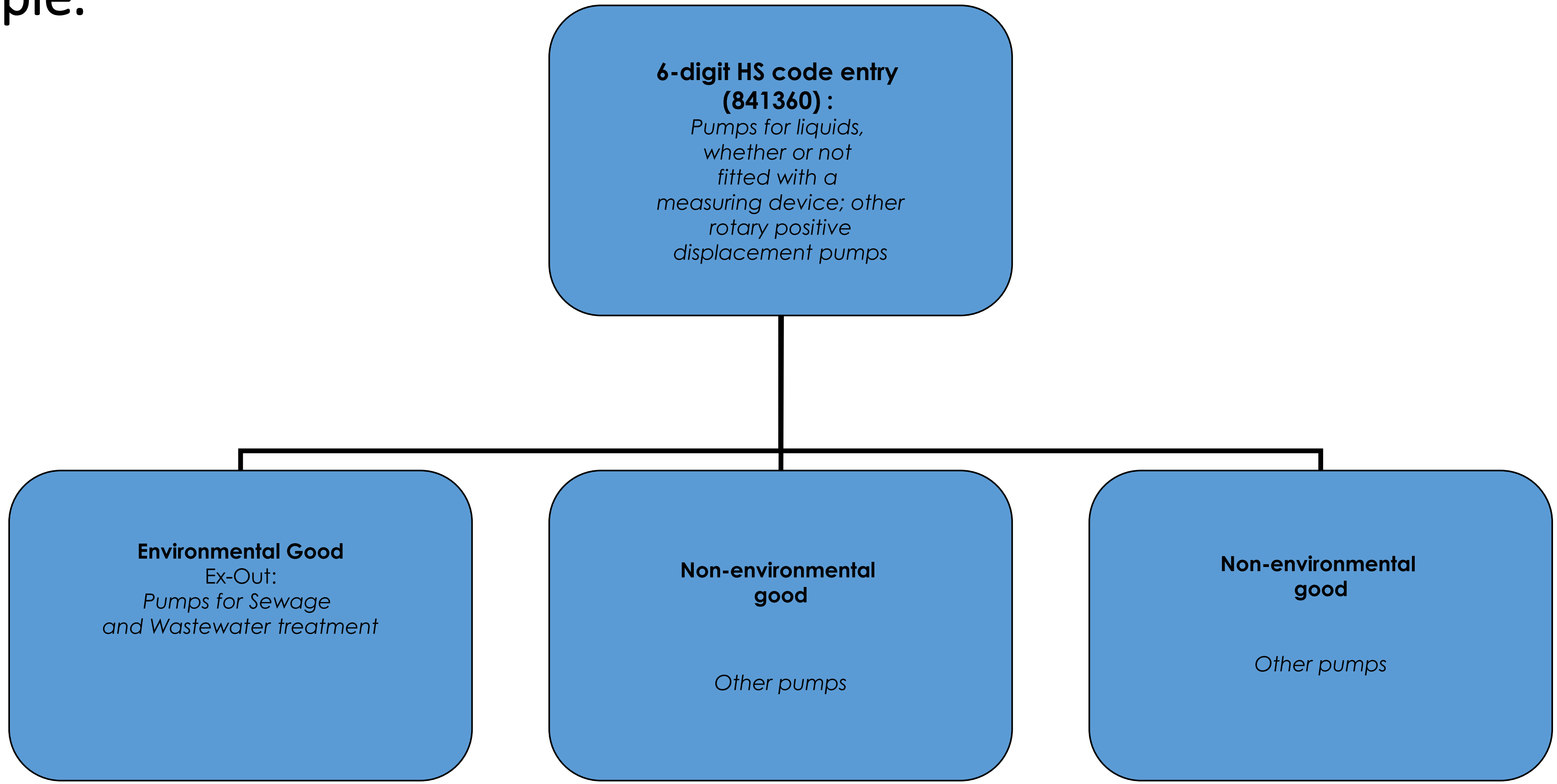
-Sensitivity of domestic sectors vs export interests

- SME interests? Value-chain considerations?

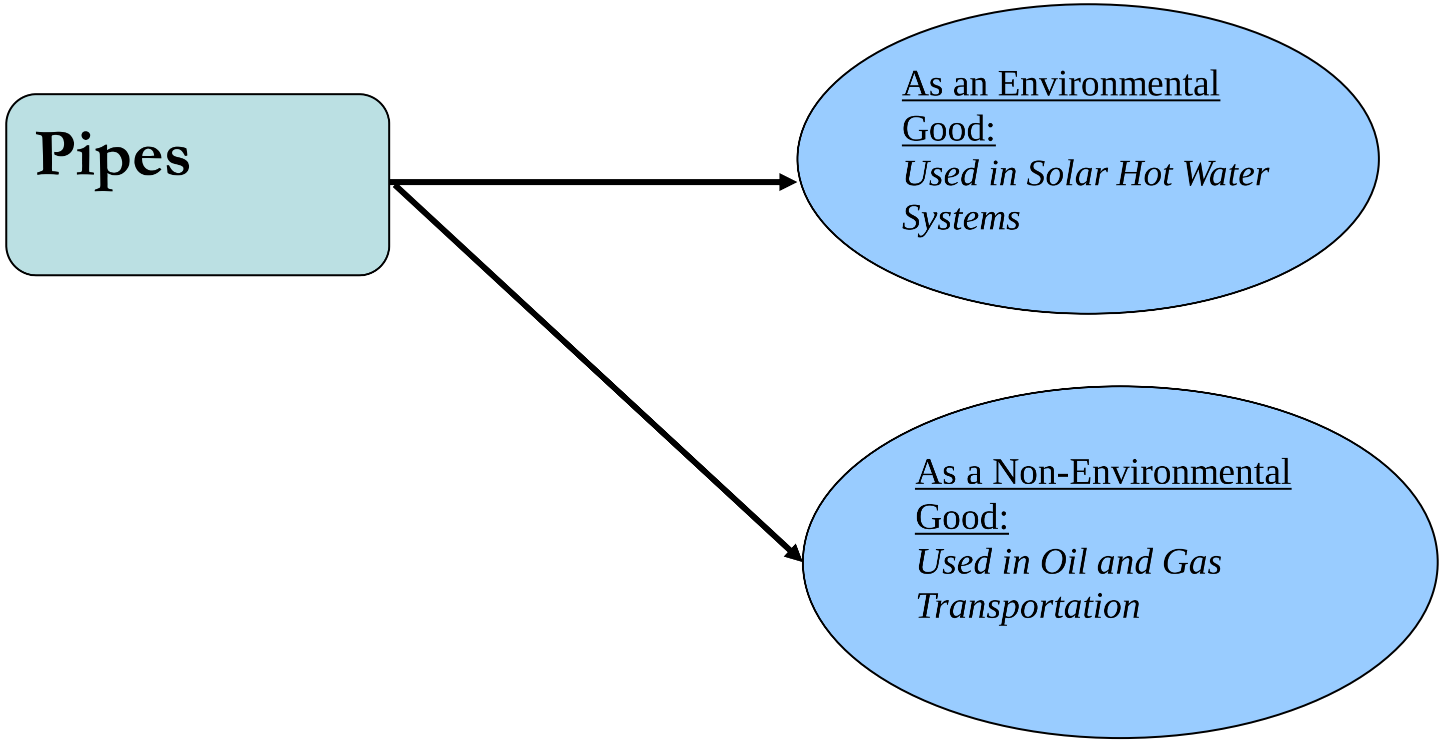
- **How to liberalise?**

- Related to political-economy considerations
- Reduction vs Elimination of tariffs
- Tariff phase-out periods
- Addressing non-tariff measures; evolution and inclusion of new technologies etc

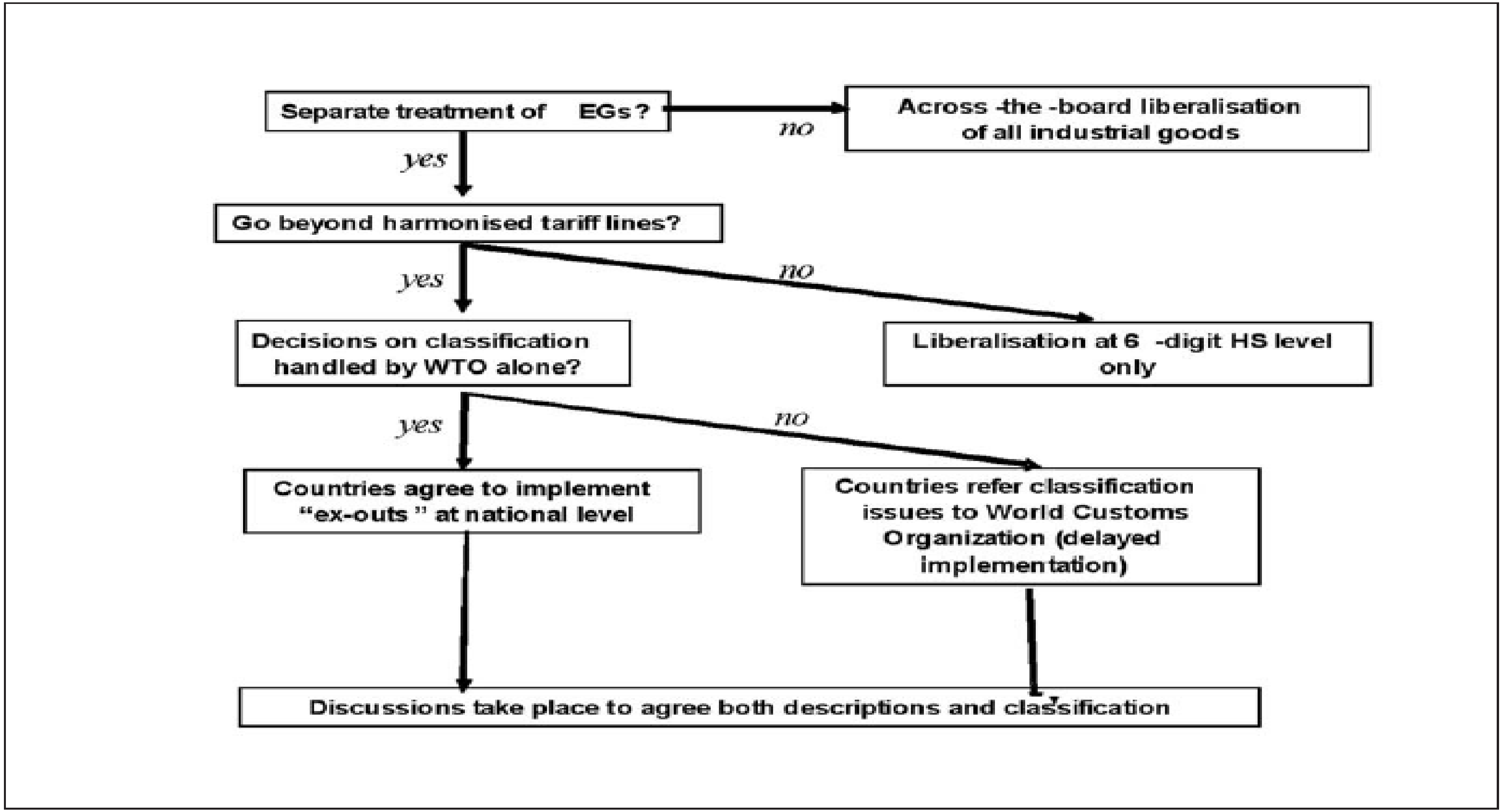
What to Liberalise? Issue 1: Identifying the 'Environmental Good' Hidden within the HS-6 digit sub-heading and clarifying product descriptions. An example.



What to Liberalise? Issue 2: Dealing with Products that have both Environmental and Non-Environmental Applications. An example.



Partial Decision Tree for Negotiations on Environmental Goods: Questions of Classification



Source: Steenblik (2005).

Using domestic tariff lines for APEC tariff reduction

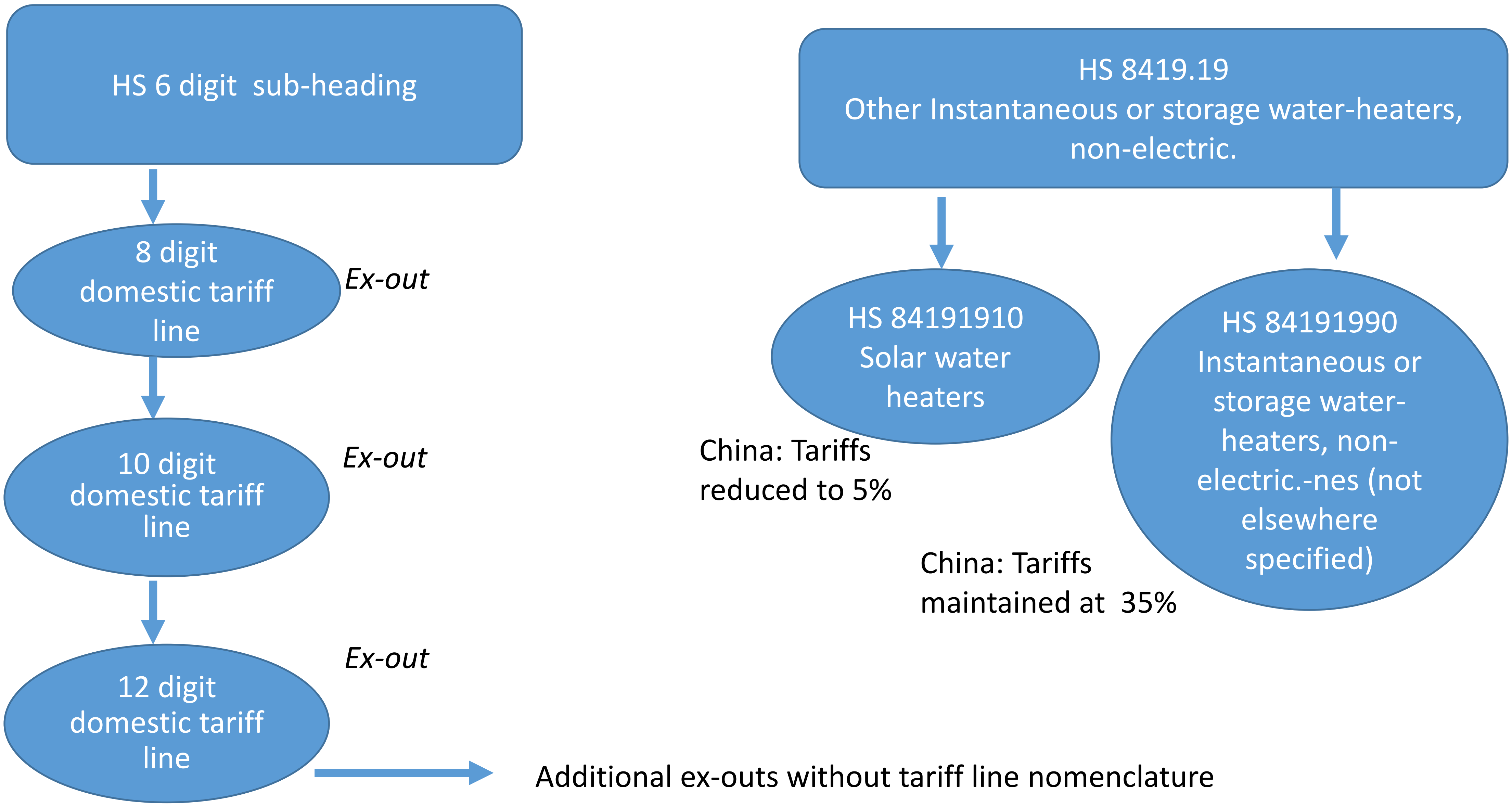


Table of Selected RE Goods Sectors, Market-Size and Trade Flows-2011 (USD Millions)

		GLOBAL TRADE EXCLUDING INTRA-EU		DEVELOPING COUNTRIES TRADE		SOUTH-SOUTH TRADE	
		Imports	Exports	Imports	Exports	Imports	Exports
Solar		6 0171	57 793	19 977	46 156	13 095	12 326
854140	Photosensitive semi-conductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels; light emitting diodes	6 0171	57 793	19 977	46 156	13 095	12 326
Solar water heaters		1 120	989	267	539	162	131
841919	Other non-electric water heaters*	1 120	989	267	539	162	131
Wind power		6 049	4 976	2 471	1 861	1 023	1 081
850231	Wind-powered electric generating sets	3 879	2 981	1 412	541	213	179
730820	Towers and lattice masts *	2 170	1 995	1 058	1319	811	902
Hydro Hydraulic turbines and water wheels		1 625	1 526	1 068	694	506	538
841011	Of a power not exceeding 1 000 kW	93	55	54	10	20	6
841012	Of a power exceeding 1 000 kW but not exceeding 10 000 kW	161	107	135	61	54	51
841013	Of a power exceeding 10 000 kWkW	274	194	252	98	151	84
841090	Parts	1 097	1 170	724	525	282	396
Biomass		2 395	2 489	1 039	1 219	543	1 065
440130	Wood waste and scrap	1 005	810	44	75	30	40
840219	Other vapour generating boilers, including hybrid boilers	652	574	504	277	194	235
840410	Auxiliary plant for use with boilers of heading 84.02 or 84.03	738	1 105	491	867	319	790
All cross-cutting products *		82 912	70 389	41 280	34 238	19 316	16 463
All renewable energy (RE) sectors		154 271	138 157	65 976	84 698	34 618	31 596
Of which included in trends analysis		68 070	64 789	23 597	48 611	14 357	14 108

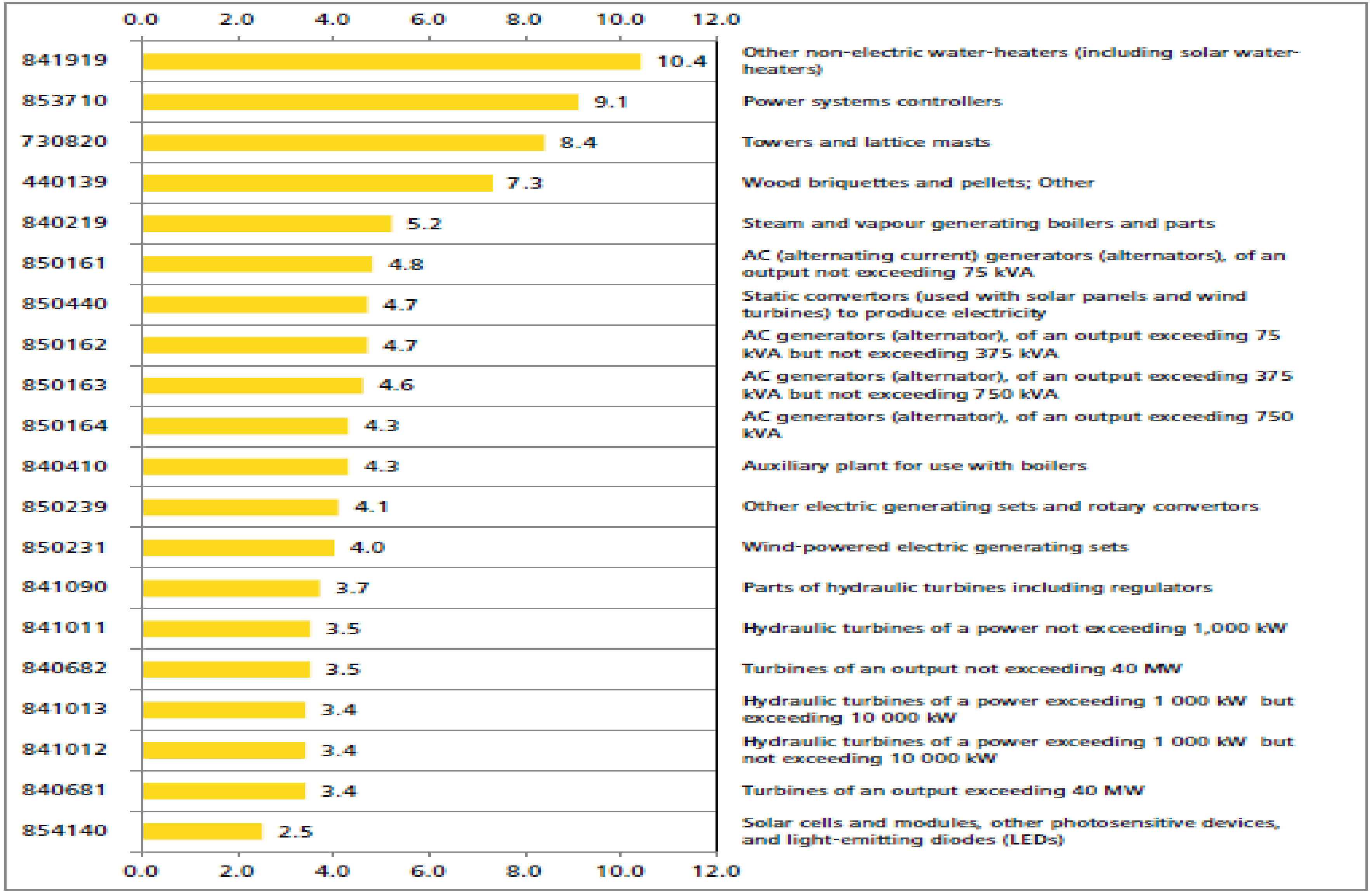
Source: UNEP (2014); South-South Trade in Renewable Energy: An analysis of Selected Environmental Goods

Table of Selected RE Goods Sectors, Market-Size and Trade Flows-2011 (USD Millions)

HS SUB-HEADING	PRODUCT	GLOBAL TRADE EXCLUDING INTRA-EU		DEVELOPING COUNTRIES TRADE		SOUTH-SOUTH TRADE	
		Imports	Exports	Imports	Exports	Imports	Exports
280110	Chlorine	174	159	60	45	36	28
380210	Activated carbon	1 260	1 166	463	641	239	213
391400	Ion exchangers	1 046	625	364	244	104	101
450410	Agglomerated cork (with or without a binding substance) and articles of agglomerated cork: Panels, boards, tiles, blocks and similar articles of agglomerated cork	262	284	46	15	6	4
841780	Other furnaces, ovens, incinerators, non-electric	1 713	964	1 391	386	344	317
842121	Water filtering or purifying machinery apparatus	4 974	5 099	2 320	1 188	841	712
842129	Other machinery for purifying liquids	5 400	5 610	2 697	1 309	499	593
842139	Filtering or purifying machinery and apparatus for gases	12 828	11 455	4 544	5 345	1 275	1 152
851410	Industrial/ lab electric furnaces and ovens (Resistance heated)	1 696	1 525	1 315	247	226	186
851420	Industrial/ lab electric furnaces and ovens (Electric induction or dielectric)	511	371	368	84	89	62
851430	Industrial/lab electric furnaces and ovens, Other.	1 150	715	943	225	232	171
902610	Instruments and apparatus for measuring or checking the flow or level of liquid	3 542	3 328	1 696	561	277	276
902620	Instruments and apparatus for measuring or checking pressure of liquids or gases	4 815	4 628	1 684	1 324	410	398
902710	Gas or smoke analysis apparatus	2 724	2 338	1 061	189	104	93
902720	Chromatographs and electrophoresis instruments	2 300	1 488	1 477	346	285	221
902730	Spectometers	2 726	2 744	1 320	256	173	157
902810	Gas meters	404	388	225	86	78	64
902820	Liquid meters	633	690	300	345	112	152
902830	Electricity meters	1 622	1 771	546	1 246	346	513
903220	Manostats	416	751	173	84	42	27
Total		50 195	46 100	22 990	14 168	5 717	5 441

Source: UNEP (2014); South-South Trade in Renewable Energy: An analysis of Selected Environmental Goods

Average MFN-applied Tariffs on Renewable Energy (RE) Products in 90 developing countries (as of 2014)



Source: UNEP (2014); South-South Trade in Renewable Energy: An analysis of Selected Environmental Goods

Trade in APEC List of 54 sub-headings, 2014.

	Value (USD millions)			As a portion of total trade (%)		
Reporter 1/	Exports	Imports	Total	Exports	Imports	Total
All reporters 2/	432.5	405.6	838.1	100.0	100.0	100.0
G-17 2/ 3/	396.7	303.1	699.8	91.7	74.7	83.5
APEC economies (21) 4/	311.6	291.4	603.0	72.0	71.8	71.9
ASEAN (10)	29.2	33.6	62.7	6.7	8.3	7.5
China	87.4	89.1	176.5	20.2	22.0	21.1
EU28 2/	95.0	50.5	145.5	22.0	12.5	17.4
United States	52.2	52.1	104.4	12.1	12.9	12.5
Japan	41.1	21.2	62.3	9.5	5.2	7.4
Korea	40.9	19.6	60.5	9.5	4.8	7.2
Hong Kong, China	16.5	17.7	34.1	3.8	4.4	4.1
Chinese Taipei	23.4	7.9	31.3	5.4	1.9	3.7
Mexico	9.8	17.8	27.6	2.3	4.4	3.3
Singapore	15.4	10.5	25.9	3.6	2.6	3.1
Canada	7.5	11.2	18.7	1.7	2.8	2.2
Switzerland	9.5	5.2	14.7	2.2	1.3	1.8
Malaysia	7.3	7.1	14.4	1.7	1.7	1.7
Russian Federation	1.7	10.3	12.0	0.4	2.5	1.4
Thailand	4.3	7.1	11.4	1.0	1.8	1.4
India	3.2	8.0	11.2	0.7	2.0	1.3
Brazil	1.6	6.6	8.2	0.4	1.6	1.0
Turkey	1.2	5.1	6.3	0.3	1.3	0.8
Norway	2.8	2.7	5.5	0.6	0.7	0.7
South Africa	2.4	3.1	5.5	0.6	0.8	0.7
Indonesia	1.1	4.3	5.4	0.2	1.1	0.6
Viet Nam	1.1	4.2	5.3	0.3	1.0	0.6

1/ Excluding countries not having reported 2014 trade data in HS12

2/ Excluding intra.EU28 trade

3/ No data for Costa Rica

4/ No data for the Philippines

Source: Analysis by Rene Vossenaar

Value of imports in 54 subheadings of the APEC List by tariff classes(Based on TL-level trade statistics, most recent year available)

APEC member economy 1/	Imports (USD millions)					At rate above 5% as a portion of total imports
	Total	Duty-free	Dutiable			
			All	At rate of 5% or less	At rate above 5%	
Brunei Darussalam (2010)	84.1	58.7	25.3	0.0	25.3	30.1%
Canada (2012)	11735.7	11401.4	334.3	146.9	187.4	1.6%
Chile (2014)	1777.8	0.0	1777.8	0.0	1777.8	100.0%
China (2014)	89116.0	29612.0	59503.3	49519.3	9984.8	11.2%
Chinese Taipei (2014)	7428.1	4511.5	2916.5	2821.1	95.4	1.3%
Indonesia (2014)	4334.0	262.0	4082.0	3589.3	492.7	11.4%
Korea (2013)	19157.5	5119.4	14038.2	142.5	13895.7	72.5%
Mexico (2014)	17789.6	15884.5	1905.0	1088.9	816.1	4.6%
Peru (2014)	912.5	907.8	4.7	0.0	4.7	0.5%
Philippines (2014)	1249.6	195.4	1054.2	1005.0	49.2	3.9%
Thailand (2013)	6936.5	2112.7	4823.6	2741.9	2081.7	30.0%
United States (2014)	50694.2	28789.9	21904.3	21360.5	543.8	1.1%
Subtotal (12 economies)	211215.6	98855.3	112343.9	82415.4	29954.6	14.2%
As a portion of total imports in the 54 HS subheadings (%)	100	46.8%	53.2%	39.0%	14.2%	

Source: Vossenaar, Rene (2016, forthcoming.ICTSD)

APEC Tariff Reductions on EGs

	Number of TLs with tariff cuts	Tariff range before cuts	Simple average tariff before cuts	Simple average tariff after cuts	Percentage reduction (%)
Brunei Darussalam	84	20%	20%	5%	-75%
Canada	2	6.5%	6.5%	5%	-23.1%
Chile*	73	6%	6%	5% (2016)	-16.7%
				0% (2020)	-100%
China	27	7%-35%	10.3%	5%	-51.5%
Indonesia	3	10%	10%	5%	-50%
Korea, Rep. of	85	8%	8%	5%	-37.5%
Malaysia	8	20%-30%	25.6%	5%	-80.5%
Mexico	29	10%-15%	14.5%	5%	-65.5%
Peru	3	6%	6%	0%	-100%
PNG	1	15%	15%	5%	-66.7%
Philippines	6	7%-10%	7.5%	5%	-33.3%
Russian Fed.	5	6.3%-11%	8%	5%	-37.5%
Chinese Taipei	6	6.8%-10%	9.2%	5%	-45.5%
Thailand	9	10%-20%	10.9%	5%	-52.4%
	7	10%	10%	7%	-30%
	3	10%	10%	0%	-100%
United States	6	5.6%-8%	6.7%	5%	-25%
Viet Nam	5	10%	10%	5%	-50%
Total	362	5.6%-35%	11.6%	4.9% (2016)	-57.4%
				3.9% (2020)	-66.1%

Source: Vossenaar,R (2016).ICTSD

Value of Imports in APEC Tariff Reductions (affecting TLs >5%)

HS subheading	APEC economies*	Tariff reductions		APEC imports in TLs with >5% rates (USD millions)**
		Number of economies	Number of national TLs	
841919	Canada, China, Korea, Malaysia, Mexico, Peru, Thailand, Viet Nam	8	12	201.5
441872	Brunei Darussalam (BD), Korea, Mexico, Malaysia, PNG, Russian Federation, Thailand, United States	8	9	111.0
850231	BD, China, Indonesia, Korea, Mexico, Chinese Taipei, Thailand	7	12	317.1
850239	BD, China, Indonesia, Korea, Mexico, Chinese Taipei, Thailand	7	17	1034.5
842121	BD, China, Korea, Peru, Philippines, Viet Nam	6	14	330.4
850164	BD, China, Mexico, Chinese Taipei, Thailand	5	8	334.4
842139	BD, China, Korea, Mexico, Malaysia	5	10	625.9
841780	China, Korea, Mexico, Philippines	4	5	186.8
840420	China, Korea, Philippines, United States	4	4	91.6
841290	China, Korea, Russian Federation, Chinese Taipei	4	5	315.5

Source: Vossenaar,R (2016).ICTSD

Value of Imports in APEC Tariff Reductions (affecting TLs >5%)-continued.

HS subheading (Please see Table 8 for descriptions)	APEC economies*	Tariff reductions		APEC imports in TLs with >5% rates (USD millions)**
		Number of economies	Number of national TLs	
842129	BD, Korea, Mexico, Malaysia	4	11	276.1
847982	BD, China, Korea, Mexico	4	8	767.6
850300	BD, China, Korea, Thailand	4	5	1482.2
901580	BD, Canada, Korea, Mexico	4	13	122.4
903289	BD, China, Korea	3	6	3286.6
847989	BD, Korea, Mexico	3	6	3098.7
850490	BD, China, Korea	3	11	1270.5
840690	Korea, Russian Federation, United States	3	6	549.8
842199	China, Korea, Malaysia	3	6	567.0
901390	China, Korea, Thailand	3	3	4364.9
841989	BD, Korea, Mexico	3	8	493.8
902710	BD, China, Korea	3	3	804.8
847990	BD, Korea	2	6	1010.4
901380	Korea, Thailand	2	2	2559.5
841199	Korea	1	1	559.9
903180	Korea	1	1	1228.3

Source: Vossenaar,R (2016).ICTSD

Which items benefit most from the APEC tariff-cuts?

- HS-subheadings benefiting from tariff reductions in the largest no: of APEC economies

➢ Solar water-heaters (under HS 841919) and floor coverings of bamboo (under HS 441872) benefit from tariff reductions in the largest number of economies.

➢ These are followed by wind-powered generating sets (HS 850231) and other electric generating sets (HS 850239) in 7 APEC economies.

➢ Machinery and apparatus for filtering or purifying water (HS 842121) in Brunei Darussalam, China, Korea, Peru, the Philippines and Viet Nam. Tariff cuts are significant on account of several factors, such as the high level of tariffs before implementation of tariff cuts (25% in China, 20% in Brunei Darussalam and 10% in Viet Nam), the environmental dimension of the subheading (all domestic TLs in these economies are covered by the APEC List) and the level of trade.

➢ Filtering or purifying machinery and apparatus for gas (HS 842139) in Brunei Darussalam, China, Korea, Malaysia and Mexico. Tariff rates before implementation of cuts were high (25% in Malaysia, 20% in Brunei Darussalam and 15% in China and Mexico) and trade is significant.

➢ Waste incinerators (mainly under HS 841780) in China, Korea, Mexico and the Philippines.

Which items benefit most from the APEC tariff-cuts?

- <u>Tariff cuts in HS subheadings with large trade values</u>

➢ 9 HS subheadings of the APEC List each represent more than USD 1 billion of APEC economies' imports in domestic TLs with an above-5% MFN-applied tariff rates.

➢ These include (in descending order of import value):

(i)HS 901390-Parts for optical devices, appliances and instruments (ex-heliostats)-highest value of imports.

(ii)HS 903289- Automatic regulating or controlling instruments (excluding thermostats, manostats and hydraulic types)

(iii)HS 847989- Other Machines and mechanical appliances

(iv)HS 901380-Optical devices, appliances and instruments (ex-heliostats)

(v)HS-850300-Parts of machines under 8501 (electric motors and generators) and 8502 (electric generating sets and rotary convertors)

(vi)HS 850490-Parts for electrical-transformers, static convertors and inductors

(vii)HS 903180- Other instruments, appliances and machines

(viii)HS 850239-Other electric generating sets

(ix) HS 847990-Parts for machines under 8479 (not elsewhere specified in Chapter 84)

Environmental Goods: Negotiating Considerations

- **<u>Exports:</u>**

❖ **Existing comparative advantages:** Heavy vs light manufactures; Finished goods vs components; Environmentally-preferable products vs ‘end of pipe’ equipment; Agriculture vs industrial products

❖ **Domestic considerations:** Economic and employment benefits, Benefit to SMEs, Social benefits-e.g. more women employed in a sector etc.

❖ **Geography of growth markets:** Where are existing markets, future growth markets?

❖ **Barriers faced in these markets:** Tariffs; Non-tariff Measures. E.g. Standards, Conformity assessment measures.

❖ **Ongoing trade initiatives:** Bilateral FTAs, RTAs, Plurilateral initiatives (EGA), WTO-led multilateral liberalisation

Environmental Goods: Negotiating Considerations

- **Imports:**

❖ **Environmental and Social Considerations:** Importance of imported equipment to meet environmental and social objectives-e.g. air and water pollution; clean energy generation; energy access for poor poorer sections. Also relevance to larger multilateral environmental goals. E.g: Climate-change.

❖ **Economic considerations:** (i)Energy and resource savings afforded by imported environmental goods (ii) Relevance of the good as an intermediate product in final manufactures (iii)Loss of tariff revenue as a result of removing tariffs (iv) Technological spill-overs from import of the equipment including for industry (v) Impacts on already established domestic industries.

❖ **Customs considerations:** Balancing ‘environmental credibility’ and ‘practicality’ and administrative costs for customs officials of selective implementation of tariff-cuts.

Environmental Goods: Negotiating Considerations

- **<u>Other Cross-cutting Considerations:</u>**

- **Technological Change and Inclusion of New Products**

- **Synergy with Environmental Services Liberalisation**

- **Technical Assistance and Capacity-Building Needs**

Environmental Services

- No universal definition though easier to pin down a service based on ‘environmental end-use’.
- Some experts have categorised environmental services into:

➢ **Environmental infrastructure services** –Eg: Water treatment and management of waste

➢ **Commercial or professional environmental services**-Eg: noise abatement, nature and landscape protection and

➢ **Other services with an ‘environmental’ end-use:** Environmental engineering; environmental consultancy

Issue 1: Classification Debate in the WTO

- **<u>W/120 Services sectoral classification list</u>**

  Environmental services

  A. Sewage services (9401)

  B. Refuse disposal services(9402)

  C. Sanitation and similar services(9403)

  <u>D. Other</u> (no reference to CPC codes)

- **<u>Alternative Proposed Classification (by EU referring to 'core' enviromental services</u>**

1. Water for human use/Waste water management;
2. solid/hazardous waste management;
3. protection of ambient air and climate;
4. remediation and clean-up of soil and water;
5. noise and vibration abatement;
6. protection of biodiversity and landscape,
7. other environmental and ancillary services.

Issue 1: Classification Debate in the WTO

- In addition EU has proposed ‘cluster’ approach in environmental services so Members could commit in other services with an ‘environmental’ end-use.Eg: Members could commit in ‘environmental engineering’ under Engineering services and ‘Environmental R&D’ under R&D services
- Classification issue not yet resolved; each Member can follow own classification as long as overlap is avoided and commitments are ‘mutually exclusive’ in nature.

Modes of Supply in Services

- Cross-border supply (Mode 1), for example,business services outsourcing
- Consumption abroad (Mode 2), for example, tourism services
- Commercial presence (Mode 3), for example, services supplied by a subsidiary or branch of foreign bank
- Movement of natural persons (Mode 4), for example, services supplied by professionals temporarily working abroad.

Multilateral and Plurilateral Negotiating Settings

- Environmental Services was being negotiated in WTO under broader services negotiations in WTO Council for Trade in Services.
- Since stalling of Doha Round talks on services, action has shifted to TISA or Trade in Services Agreement. Launched in March 2013. No conclusive end-date set for completion of talks. Milestones set for reaching potential agreement by end-2016.
- 23 participating countries in TISA make up 2/3rds of global GDP and 70 percent of global services trade as well as 23 percent of world population.
- Australia, Canada, Chile, Chinese Taipei, Colombia, Costa Rica, the EU, Hong Kong China, Iceland, Israel, Japan, Korea, Liechtenstein, Mauritius, Mexico, New Zealand, Norway, Pakistan, Panama, Peru, Switzerland, Turkey and the United States.
- Negotiations based on WTO GATS principles but uses ‘hybrid’ approach combining ‘negative’ listing for national-treatment and ‘positive’ listing for market access.
- Deal may eventually be ‘multi-lateralised’ with benefits extended to all WTO members once enough WTO members join. For now unclear whether it will be a ‘services only’ RTA that would have to comply with Article V of GATS [including <u>substantial sector coverage</u>]

Key characteristics of WTO Services Negotiations

- Bilateral request-offer process
- Commitments voluntary in nature but ‘binding’ once committed
- National Schedules listing sectoral commitments Eg: Financial Services, Telecommunication Services; Environmental Services
- Members commit in only those sectors specifically listed (‘positive list’ approach)
- Exceptions can be listed in each Mode of Supply
- Commitments may be made in one or all of 4 modes of supply

4 Pillars of the TISA Negotiations

- 1.**Basic GATS provisions** (e.g. scope, definitions, market access and national treatment, exceptions)
- 2.**GATS plus provisions** (horizontal national treatment, standstill and ratchet plus market access "standards")
- 3.**Regulatory disciplines based on sector Annexes** (additional or strengthened) (domestic regulation, ICT services, logistics, financial services, maritime transport, government procurement and several others...)
- 4.**Institutional provisions** (accession, multilateralization, dispute settlement)

Source: Overview of the TISA Negotiations, USAID Presentation by Dr. Sherry Stephenson , 24-28 Aug 2015, http://unctad.org/meetings/en/Presentation/ditc-ted-Nairobi-24082015-USAID-stephenson-2.pdf

Issue 2: Addressing 'Public Good' Services

- Some countries and experts favour inclusion of 'water for human-use' as an environmental service. Many opposed given sensitivity of water as a 'public good'.
- GATS does not apply to 'services supplied under 'government authority' that are not supplied on a 'commercial basis' or in 'competition with other service suppliers' (Article I: 3). Similarly with TISA.
- Future disciplines if negotiated regarding subsidies and government procurement in services could also affect public services such as the delivery of water.

Issue 3: Addressing domestic regulatory issues

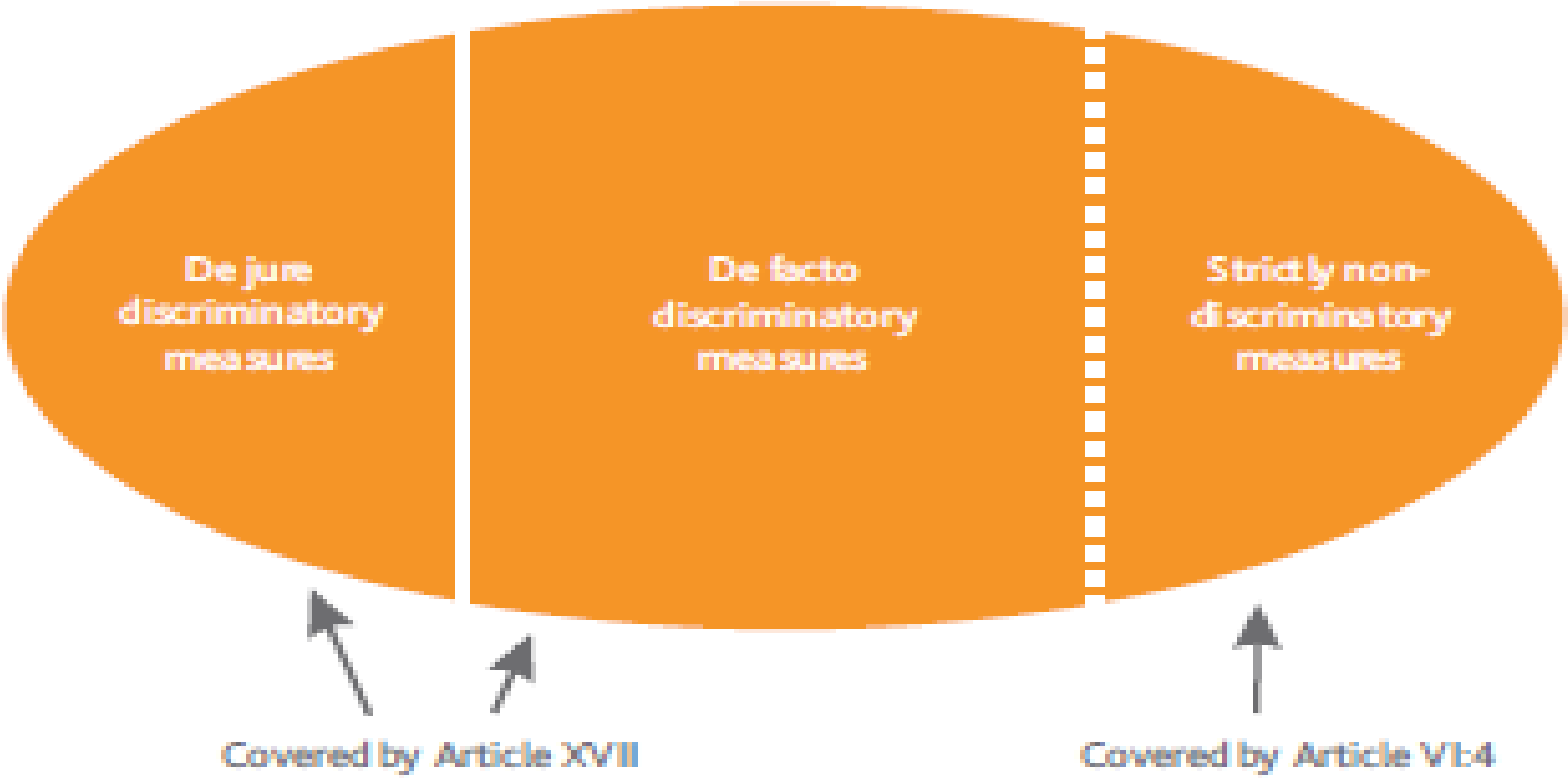
- Domestic regulations affect foreign investment (through Mode 3) and also include immigration regulations that can affect trade through Mode 4 (temporary movement of natural persons).
- ‘De-facto’ trade restricting effect (eg: through licensing practices and entry fees) but needs to be balanced with legitimate interests.
- Article VI:4 mandates negotiations to develop disciplines necessary to ensure that “qualification requirements and procedures, technical standards and licensing requirements do not constitute unnecessary barriers to trade in services.”
- Disciplines on subsidies, procurement and safeguards yet to be developed. Discussions taking place in WTO Working party on Domestic Regulation but currently stalled.

Issue 3: Addressing domestic regulatory issues-specific challenges

- Proving that ‘de-facto’ discrimination exists in a regulatory measure
- Development of very strong disciplines on domestic regulation could discourage countries from making new commitments in the disciplined sector.
- ‘Regulatory heterogeneity’ may reflect different social and institutional preferences in different countries. May be difficult to remedy by imposing disciplines on countries.
- Mattoo (2015) considers regulatory co-operation to be a better approach. Diverse approaches including mutual-recognition or harmonisation or transparency on implementing the practice which leads to predictability.

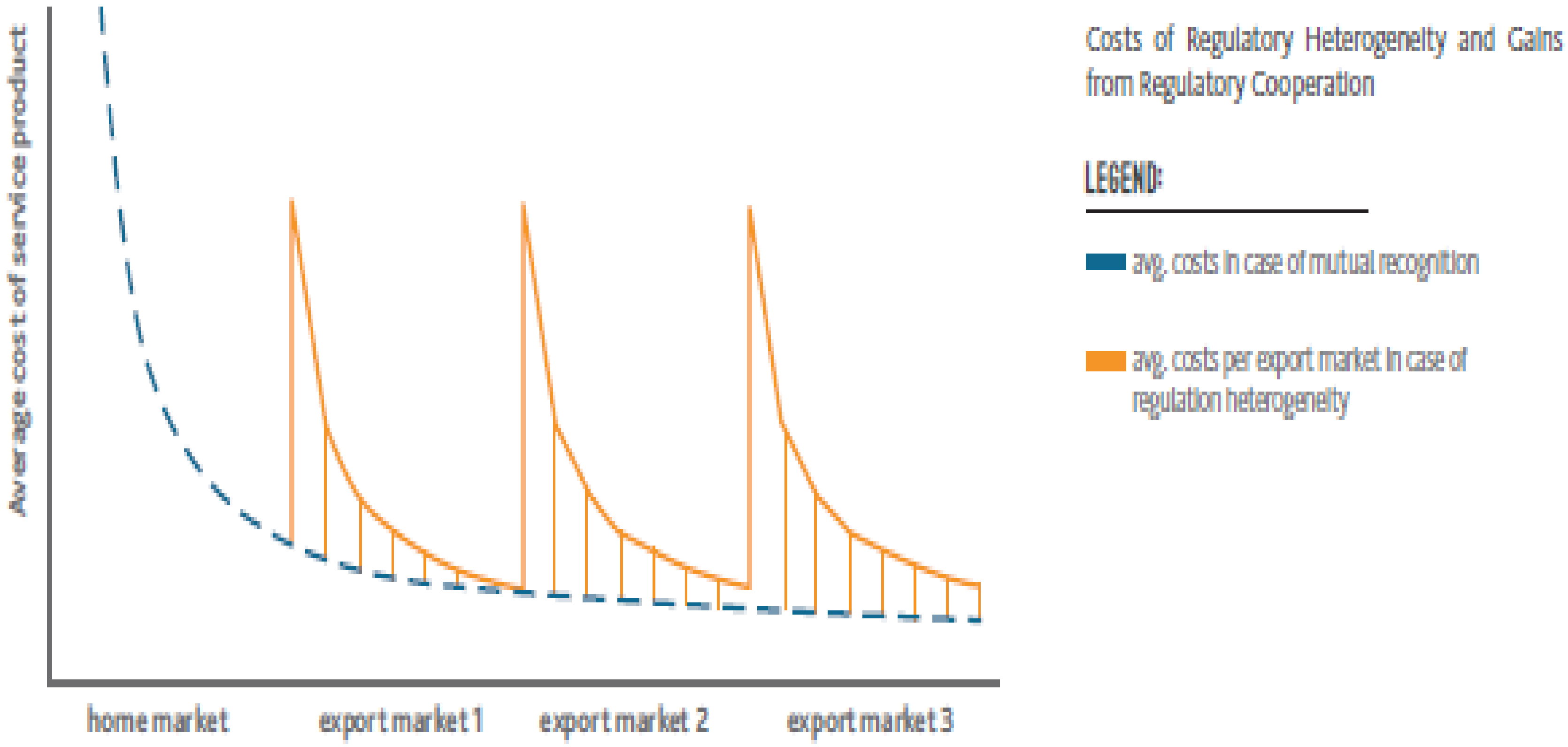
Source: Mattoo,A (2015). Services Trade and Regulatory Co-operation, ICTSD E-15 Services Initiative

Current view on Scope of GATS disciplines



Source: Mattoo,A (2015). Services Trade and Regulatory Co-operation, ICTSD E-15 Services Initiative

Cost of regulatory heterogeneity and gains from regulatory co-operation



Mattoo,A (2015). Services Trade and Regulatory Co-operation, ICTSD E-15 Services Initiative

Issue 4: Identifying Environmental Services of Export Interest to Developing Countries

- Issue of limited capacities and technology
- Mode 4 in environmental assessment and consultancy services could be one promising opportunity for many developing countries. For e.g.: Cuba has has exported such services to Brazil, the Dominican Republic, Haiti, Mexico, Nicaragua, Spain and Venezuela.
- However as discussed earlier immigration and other domestic regulations such as licensing, educational requirements etc will also affect market access for such services.

Cross-cutting Issue: Ensuring Coherence between EG and ES Trade Negotiations

- Environmental Goods and Services often delivered or traded jointly
- Yet negotiations are most often conducted separately
- Many need to be some form of co-ordination among negotiatiors to ensure that market access commitments are meaningful. E.g. Liberalisation of environmental services without liberalising corresponding goods may not make much sense.

APPENDDIX: GATS Environmental Services Commitments by CMLVT Countries

- Shown separately in PDF FILES to be DISPLAYED ON POWER POINT

THANK YOU!

For questions or comments, please email me at: smahesh@ictsd.ch