

⋮

# INTERNATIONAL TRADE STRATEGIES

www.tradestrategies.com.au

The Secretary  
Joint Standing Committee on Treaties  
Parliament House  
Canberra

24 August 2000

## **Australia's relationship with the World Trade Organization**

### **Trade and Environment issues**

Submission by International Trade Strategies Pty Ltd

The terms of reference for the Inquiry include consideration of the relationship between the WTO and multilateral agreements, including environmental agreements. This submission addresses that matter alone.

A separate submission on the general importance of the WTO to Australia has been made.

The question of "trade and the environment" has been on the international trade agenda since the closing stages of the Uruguay Round in the early nineties. It is widely contended that the WTO is inimical to environmental interests and that the WTO should be amended to meet the greater interests that exist in the environment today than compared with when the GATT was negotiated in 1948.

The Committee should expect to receive a significant number of submissions arguing that the WTO is inimical to efforts to improve the environment and should permit trade restrictions to protect the environment.

There is a problem. It is manifest in the conflict countries can find themselves experiencing when obligations under the WTO conflict with obligations dealing with trade under some multilateral environmental agreements.

Most of the thinking about what to do has focussed on the issue of how to adjust the WTO to cater for the provisions of the environmental agreements. The

*Level 2, 60 Collins St  
Melbourne, Australia  
tel (international 613) 9654 8323,  
fax (international 613) 9650 7622  
mobile (international 61) 0417 358 462  
Email its@vic.bigpond.net.au  
ABN 48 007307342*

.....

problem is equally capable of being solved in another way. Cease putting trade provisions into environmental agreements.

Not nearly enough attention has been focussed on the limited value of the trade provisions in environmental agreements. A paper which examines this issue in detail and concludes that the root of the problem is poor quality policy in international environmental policy is attached. This paper was prepared for a high level symposium at Columbia University, New York in July 1999.

The conflict of obligations arises from only a handful of environmental treaties. It is because they mandate imposition of trade restrictions on environmental grounds. A number of them mandate imposition by parties of discriminatory trade measures. The WTO does not permit members to discriminate in trade.

The newest source of conflict is a recent multilateral environmental treaty, the Cartagena Protocol to the Biodiversity Convention. This Protocol was opened for signature in May. This Protocol mandates imposition of control on imports of "living modified organisms". An example would be genetically modified wheat. The controls on trade which are permitted under the Cartagena Protocol undermine the regime of quarantine controls on trade which have been set up under the WTO. These controls are based on science and risk assessment.

This Protocol is also a poor piece of environmental public policy. The public policy problem with genetically modified organisms is trade in them, it is the terms under which they are released into the public domain. The Protocol is unlikely to have any impact on that issue. It will simply give those who have always wanted to restrict agricultural imports yet another ground for doing so. In the process it risks undermining a set of rules managed by the WTO which are vital to sustaining public confidence in the safety of traded food. A paper which examines the public policy issues which the Protocol seeks to address is also attached. It was delivered to a Biotechnology conference in Hawaii in March.

Alan Oxley  
Director  
International Trade Strategies Pty Ltd  
[www.tradestrategies.com.au](http://www.tradestrategies.com.au)

Attachments:

1. Poor environmental policy - the fundamental problem in the "trade and environment debate".(columbiapaper.doc)
2. The Biosafety Protocol - a help or a hindrance. (BiosafetyPBEC.doc)