

## **USTR Schwab to Announce New Climate Initiatives for WTO, Including a New Environmental Goods and Services Agreement (EGSA)**

**11/30/2007**

Washington, DC – U.S. Trade Representative Susan C. Schwab announced today that the United States and EU have submitted a ground-breaking proposal as part of the Doha Round negotiations to increase global trade in and use of environmental goods and services. The initiative would place priority action on technologies directly linked to addressing climate change and energy security.

"WTO Members have an unprecedented opportunity to address in a concrete and meaningful way the global environmental challenge of climate change," said Ambassador Schwab. "By eliminating tariff and non-tariff barriers to environmental goods and services, particularly clean energy technologies, we can lower their costs and increase global access to and use of these important products."

The proposal lays the foundation for an innovative new environmental goods and services agreement (EGSA) in the WTO and would include a commitment by all WTO Members to remove barriers to trade to a specific set of climate-friendly technologies. The initiative was prompted by President Bush's initiative earlier this year to seek an agreement with major economies on a new international climate agreement. The proposal underscores the importance of liberalizing trade in environmental goods and services in parallel by recognizing, for the first time, how the market works in this sector – how goods are bundled with services. For example, designing more energy efficient buildings can require consulting, design and construction services, as well as solar panels for heating.

The United States, joined by the European Union, proposes to eliminate tariff and non-tariff barriers to environmental technologies and services through a two-tiered approach: 1) A first-ever in the WTO agreement on worldwide elimination of tariffs on a specific list of climate friendly technologies recently identified by the World Bank; and 2) A higher level of commitment on the part of developed and the most advanced developing countries to eliminate barriers to trade across a broader range of other environmental technologies and an array of environment-friendly services.

### **Background:**

Global trade in the environmental goods covered by the U.S. and EU proposal totaled approximately \$613 billion in 2006, and global exports of these goods have grown annually by an average of 15 percent since 2000.

WTO Members currently charge duties as high as 70 percent on certain environmental goods, impeding access to and use of these important technologies. A recent World Bank study on climate and clean energy technologies suggests that by removing tariffs and non-tariff barriers to key technologies, trade could increase by an additional 7-14 percent annually. A corresponding increase in use of such technologies and services could contribute importantly to global efforts to address climate change and energy security.

The World Bank report also concludes that liberalizing trade in these technologies could facilitate more high-end technology investment.

According to separate data on environmental indicators available from the World Bank and World Resources Institute, countries that trade more environmental goods either have less pollution or consume energy more efficiently, or both.

A summary of the proposal is available at [www.ustr.gov](http://www.ustr.gov).

###