

**APEC TRADE AND ENVIRONMENT WORKSHOP**

19-20 May 2003, Bangkok

Submission by Australia

1. This paper provides Members with information on the outcomes of the High-Level APEC Trade and Environment workshop organized by Australia that was held in Bangkok from 19-20 May 2003, and consideration of these outcomes by the meeting of APEC Ministers Responsible for Trade held in June 2003.

**I. BACKGROUND**

2. APEC Ministers Responsible for Trade at their meeting held 29-30 May 2002, in Puerto Vallarta, Mexico, noted:

*Ministers noted discussion on trade and environment since Doha. They welcomed the opportunity to enhance the mutual supportiveness of trade and environment. Ministers reaffirmed that the WTO work and negotiations on the relationship between trade and environment shall be in accordance with the mandate agreed at Doha.*

3. The Joint Statement from the Fourteenth APEC Ministerial Meeting, held 23-24 October 2002, in Los Cabos, Mexico, sets out the following Ministerial decision under "Strengthening the Multilateral Trading System":

*Ministers welcomed the proposal to hold a conference on trade and environment to be convened sometime between April and June 2003, ...*

**II. CHAIRMAN'S SUMMARY FROM THE TRADE AND ENVIRONMENT WORKSHOP HELD MAY 2003**

4. In accordance with the mandate from the Ministers meeting held in Los Cabos, a workshop was held from 19-20 May 2003, in Bangkok, to discuss APEC member economy perspectives on the WTO Doha Declaration trade and environment agenda. During the workshop, participants suggested the following principles and actions should form the basis of future APEC collaboration and cooperation in this area, particularly in the lead up to the WTO Ministerial meeting to be held in Cancun, Mexico, in September 2003:

- Enhanced dialogue between trade and environment ministries is important to ensuring trade and environment policies are mutually supportive and that environmental measures are soundly based and not misused for trade protectionist purposes.

- As set out in paragraph 31 of the Doha Mandate and as recognized previously in the WTO, trade and the environment policies can and must be mutually supportive. APEC member economies will continue to engage constructively in the negotiations to enhance this situation, while noting the specificity of the mandate agreed to by Ministers at the WTO Doha Ministerial.
- Environmental measures should be science based and the implementation of environmental measures by all WTO Members should not constitute arbitrary or unjustifiable trade discrimination or disguised restrictions on trade.
- Bearing in mind the strong interest of APEC Member Economies in trade as an engine of economic growth, the outcomes from the negotiations should not undermine economies' comparative advantage or weaken existing WTO disciplines, consistent with paragraph 32 of the Doha mandate. APEC member economies emphasized the need for particular attention to the effect of environmental measures on market access and the elimination of trade restrictions.
- APEC Member economies agreed to the need for the timely resolution of a decision on the issue of observer status and information exchange with MEA Secretariats in the WTO Committee on Trade and Environment in Special Session, and agreed to work together to achieve this outcome.
- Member economies agreed that negotiations on environmental goods should only cover end-use criteria, that the classification work that APEC has already developed should assist the negotiations, and agreed to consider the idea of reducing tariffs for dual-use products (i.e. those goods used primarily for environmental purposes however with other potential uses). It was also agreed that consideration should be given to an examination of goods of interest to developing APEC member economies.
- APEC member economies agreed that there is no need for further activities, including negotiations, on the Doha mandate paragraph 32 issues. Specifically it was agreed the WTO framework of rights and obligations appropriately encompasses the issue of ecolabelling, and therefore negotiations in this area are not required, particularly given the work of the WTO Committee on Technical Barriers to Trade.
- Consistent with paragraph 33 of the Doha mandate, developed APEC member economies should continue to provide, and where possible enhance, technical assistance and capacity building to developing APEC member economies in the area of trade and environment. A number of priorities were identified in this area, however it was agreed that developing APEC member economies should identify their needs in this area to set the basis for future APEC cooperation.
- APEC member economies should continue to consult and where possible coordinate closely on the WTO trade and environment agenda, including through opportunities for networking and further research and studies of APEC member interests.

5. This summary report was forwarded for consideration by the APEC WTO Capacity Building Working Group, APEC Senior Officials Meeting II and the meeting of APEC Ministers Responsible for Trade held in June 2003.

### **III. OUTCOME FROM THE APEC MINISTERS RESPONSIBLE FOR TRADE MEETING HELD JUNE 2003**

6. APEC Ministers Responsible for Trade, representing economies accounting for 47 per cent of world trade and over 60 per cent of global GDP, met in Khon Kaen, Thailand on 2 - 3 June 2003. The following are the relevant paragraphs of the statement from this meeting that instructs that the summary report from the Trade and Environment Workshop be forwarded to the WTO, and notes the mutual supportiveness of trade and environment policies and the underpinning economic principles:

*Ministers also reaffirmed the importance of WTO capacity building as a tool for helping developing economies enjoy the full benefits of WTO membership, and as APEC's contribution to the successful completion of the DDA. They applauded the WTO capacity building activities of APEC members, including the useful discussions of the recent APEC workshops on Trade and Environment, Geographical Indications, and Investment held in Bangkok in May 2003. They expressed satisfaction with the report of APEC's WTO Capacity Building Group and instructed that it be forwarded together with the summary reports of all APEC capacity building activities to the WTO. They called for further strong support for such actions.*

*Ministers emphasized that trade and environment policies should be mutually supportive, and that negotiations should not undermine economies' comparative advantage nor weaken existing WTO disciplines.*

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