IMPLICATIONS OF NEGOTIATION FAILURES ON ENVIRONMENTAL GOODS AND SERVICES AT THE DOHA ROUND FOR GLOBAL TRADE GOVERNANCE

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Outline

(based on paper available at http://www.ferdi.fr/uploads/sfCmsContent/html/112/P28.pdf)

- Doha art. 31: Countries mandated to negotiate on removing barriers to trade in EGS
- Anatomy of negotiations

Three approaches: Project, request and offer, list)
WTO 'combined list' and 'core list' of 26 products (2010)



Core list products (sample): Limited overlap in lists and in environmental classifications

Countries who proposed that good

N°	HS 2002 CODE	HS CODE DESCRIPTION	MEMBERS	CATEGORY(IES)
	1			
7	840510	Producer gas or water gas generators, with or without their purifiers; acetylene gas generators and similar water process gas generators, with or without their purifiers	FRD, SAU, PHL, SGP	APC, RE, WM/WT, ET, CCS
8	840681	Steam turbines and other vapour turbines for marine propulsion: Of an output exceeding 40 MW	FRD, SAU, PHL	RE
9	840999	Parts suitable for use solely or principally with the engines of heading 84.07 or 84.08 other	FRD, SAU, SGP	APC, ET, CCS
10	841011	Hydraulic turbines and water wheels of a power not exceeding 1,000 kW	FRD, SAU, PHL	RE, ET, CCS
11	841012	Hydraulic Turbines and Water Wheels, Power 1, 000 10, 000kw	SAU	ET, CCS
12	841090	Hydraulic turbines, water wheels, and regulators ; parts, including regulators	FRD, SAU, PHL	RE, ET, CCS
13	841181	Other gas turbines of a power not exceeding 5,000 kW	FRD, SAU, PHL, QAT	RE, ET, CCS, OTH
14	841182	Other gas turbines of a power exceeding 5,000 kW	FRD, SAU, PHL, QAT	RE, ET, CCS, OTH

No progress in reducing tariffs (in relative terms)

(No difference in tariff reduction Patterns between 'core list' and total trade)

- No «mandate effect» as no acceleration in reduction of protection after 2001 relative to reduction in protection for other products
- Especially for low-income countries
- Next slide shows outcome under standstill

Figure 1: Identifying R221

Goods for Environmental
Management (GEM)
(Pollution, Resources)
Multiple end uses

(pipes for water treatment or for natural gas)

Environmentally Preferable Products (EPPs): Single use

Production

Aluminium (Prebake vs. Soderberg)
Organic cotton vs
conventional cotton;

Use

Solar stoves
Solar furnaces
Energy efficient
consumer goods

Disposal

packaging (glass vs. plastic) Cotton fiber *versus* synthetic fiber

Difficulties (II) ...and avoided submitting goods with tariff peaks Goods not proposed had significantly higher protection

Country	Nb of peaks (over the 384 goods)	Nb of peaks proposed	Nb of peaks retained on the final list	Nb of goods proposed individually	Average protection of goods proposed	Average protection of goods not proposed	Difference
Column	Α	В	С	D	E	F	G=F-E
Nine Members							
Canada	16	1	9	86	2.04	2.52	0.48*
EU27	20	0	1	92	2	3.32	1.32***
Japan	61	0	11	92	0.25	0.83	0.58***
Korea	0			59	6.17	6.02	-0.15
New Zealand	0			81	3.21	2.59	-0.62**
Norway	0			0			
Switzerland	0			11	0	0	
ChineseTaipei	17	0	0	27	3.13	5.19	2.06***
USA	9	2	2	110	1.59	2.73	1.14***
Other lists							
Japan (Add)	61	0		51	0	0.67	0.67***
Saudi Arabia	0			262	4.84	4.47	-0.37***
Philippines	32	1		17	2.9	4.61	1.71

Notes: Tariff data for 2008. Tariff peaks defined as number of products (HS-6 codes) for which the average rate of protection is above three times the average rate of protection of the 384 EGs (e.g. Canada has 16 tariff peaks). Column B shows that of these 16 products, Canada only proposed 1 to figure on the 9M list. Column C shows that 9 of these 16 products were retained to figure on the final list. Column E and F show that, on average, the protection is higher for goods that Canada proposed (86 HS-6) than for those it did not. This difference is significant at 10% confidence level (column g).

Source: authors' calculations from TRAINS tariff data. Average protection is simple average of HS6 average tariffs

^{***} significant at 1% level, ** 5%, * 10%