

Executive Summary

Highlights

- As traditional trade barriers are dismantled, there has been the use of trade restrictions based on environmental concerns.
- Environmental issues are moving up the supply chain.
- Every environmental risk to competitiveness is an opportunity to those firms that are greening production.
- Concerned by the stresses on its environment, Europe is playing an influential role in addressing issues, developing solutions and linking environmental issues to trade.
- A great deal of innovation on voluntary and non-regulatory initiatives (VNRIs) is taking place in developed countries.
- Governments will likely begin to link procurement of goods and services to environmental performance criteria specified in VNRIs.
- In the next five years at least, it is unlikely that the World Trade Organization will change the rules to allow governments to discriminate among imports based on process and production methods, but there is growing pressure for such change.
- Good information on the linkages between VNRIs and trade competitiveness is difficult to obtain.
- VNRIs, properly utilized, can enhance efficiency and market share, and create new market opportunities.
- Industry prefers the development of VNRIs, rather than more regulations.
- Environmental groups and some government departments have concerns about the effectiveness of VNRIs in achieving environmental policy objectives.
- Canada has some comparative advantages that favour the development and use of VNRIs