

## 4.2 Responding to the Trading Agenda

As indicated in previous sections, there is potential for serious trade disruption arising from the use of certain trade-related environmental measures, such as eco-labelling, packaging, recycling and disposal requirements, taxes and so on. These issues need to be urgently addressed. It is still too early to suggest specific options, however. We are still in an analytical phase, identifying the nature and extent of the problem. Considerable homework needs to be done by participants in the GATT/WTO process to flesh out the multilateral picture, as well as domestically to clarify national positions regarding the local use of the measures in question and their impact on exports when used by others. Although there exists a general assessment of where interests lie, with the most serious implications arising on the export side of the equation, more work needs to be done to focus on key problems and the best solutions.

We should bear in mind throughout the analytical work that is underway, and that should be stepped up under the new GATT/WTO work programme, the likely need to improve disciplines, and compliance with those disciplines, through interpretations of and possibly amendments to the relevant GATT/WTO Articles and Agreements. Progress in the GATT/WTO will depend to some extent on progress in the development of common standards or programmes in the relevant fora. Work in the WTO should be coordinated with, and could help to accelerate, these related activities.

## 5. Conclusions

As was indicated at the beginning of this Paper, the trade and environment debate is ultimately about the best means to pursue improved environmental protection. Those who closely follow environmental issues know better than most that the pace of progress can be frustratingly slow. The problems are often complex and the science uncertain. There are sometimes commercial objectives tangled up in environmental measures. And different countries have different priorities and capacities to address competing demands. Indeed, some developing countries have virtually no capacity to respond to the environmental agenda being pressed upon them. At the end of the day, costs will be high, something that most taxpayers, including in the developed world, are not yet prepared to absorb fully.

There are no magic answers, least of all in the GATT/WTO. The challenge is to look for approaches that are feasible, that will make a lasting contribution to progress and that will not end up doing more harm than good.