

Rather, it implies that the appropriate environmental policy, to internalize environmental costs, is required to avoid negative environmental impacts. This is also true for investment, which will determine where production takes place. With respect to reducing environmental degradation, the maintenance of an open international trading system and investment climate is beneficial. Some general conclusions:

- economic prosperity is one of the most important determinants leading to a more sustainable environment;
- promoting economic development in developing countries through trade and investment is one of the most efficient ways to raise environmental conditions on a global basis;
- trade-restricting measures are often the least efficient way of ensuring that prices reflect environmental costs and thus rarely achieve environmental goals and may even retard them;
- achieving environmental objectives by means of trade measures lends itself to protectionist abuse; and
- there is no fundamental conflict between environmental objectives and the goals and provisions of the GATT-based trade relations system, although there is room for clarification to remove any ambiguities and to strengthen the basis upon which the trade and environment issues can be made more overtly complementary.⁹

Food

Food has the supremely important characteristic that it is required to sustain life. It is a basic determinant of human welfare and well-being. Food production and

due to inadequate or inappropriate government policies or consumer information. Consequently, the most effective solution lies in implementing measures that will allow markets to reflect these costs more accurately and thus influence the behaviour of producers and consumers away from environmentally hostile decisions". Michael Hart and Sushma Gera, "Trade and the Environment: Dialogue of the Deaf or Scope for Cooperation?" Policy Staff Paper No. 92/11, Department of Foreign Affairs and International Trade, p. 15.

⁹ Michael Hart and Sushma Gera, "Trade and the Environment: Dialogue of the Deaf or Scope for Cooperation?" Policy Staff Paper No. 92/11, Department of Foreign Affairs and International Trade, p. 9.