

## **IX. TRADE-RELATED INVESTMENT MEASURES**

### **A. OVERVIEW OF THE AGREEMENT**

Before the Uruguay Round, multilateral disciplines on trade-related investment measures were confined to provisions of the GATT. The new Agreement on Trade-Related Investment Measures (TRIMs) makes GATT coverage of these measures more explicit without initiating a broad framework of rules for establishment and treatment of foreign investment.

An investment measure provides for conditions with respect to the establishment, operation and disposal of investments. Trade-related investment measures affect trade.<sup>6</sup> The Agreement on TRIMs prohibits trade-related investment measures that restrict and distort trade. It confirms obligations in the GATT that require national treatment (treating imports no less favourably than domestic products) and that prohibit quantitative restrictions. The Agreement includes an illustrative list of prohibited TRIMs.

### **B. POTENTIAL ENVIRONMENTAL IMPLICATIONS**

The Agreement on TRIMs is not expected to have environmental implications beyond those of the GATT. The GATT general exceptions covering measures necessary to protect human, animal or plant life or health and/or conserve exhaustible natural resources continue to apply to the Agreement on TRIMs.

More generally, the linkages between trade and investment and trade and the environment are recognized as issues that require further analysis. Work in these areas is already under way within the OECD and UNCTAD, and will likely be included in the future work of the WTO.