

Does Free Trade Help or Hurt the Climate?

By James Kanter
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Making trade more free could lead to a rise in carbon-dioxide emissions as a result of greater economic activity. But more trade could also help to stop climate change by increasing the availability of climate-friendly technologies and products.

Those are the conclusions in a report issued on Friday by the World Trade Organization and the United Nations Environment Program.

The report seemed aimed partly at defending continuing efforts by the W.T.O. to broker a long-awaited deal as part of the so-called Doha round of trade talks.

“Contrary to some claims, trade and trade opening can have a positive impact on emissions of greenhouse gases in a variety of ways including accelerating the transfer of clean technology and the opportunity for developing economies to adapt those technologies to local circumstances,” the two groups said in a statement that accompanied the report.

To bolster their case, Pascal Lamy, the director-general of the W.T.O., and Achim Steiner, the executive director of the U.N. program, said any forthcoming trade deal should include measures to free up trade in environmental goods and services. Those measures would, according to the statement, constitute “a complementary track towards reducing greenhouse gas emissions to scientifically-defensible levels.”

The report also tackled a principal threat to free trade in climate regulations.

New taxes and tariffs could be imposed by countries like the United States and by trade blocs like the European Union to protect home industries and keep out products made more cheaply, and in less environmentally sensitive ways, in other parts of the world.

Such “border adjustment measures,” as they are called in trade jargon, would represent a new set of trade barriers and could trigger a spate of litigation, the agencies suggested.

Environmental regulation can sometimes trump free-trade rules under the General Agreement on Tariffs and Trade, but only “provided that several conditions are met,” the agencies warned.