



**Asia-Pacific
Economic Cooperation**

2021/CTI/PD/002

Session: 1

**Policy Discussion on Trade-Related Policies to
Promote Trade in Environmental Products and
Technologies Including Regulatory Issues
Contributing to Global Carbon Neutrality -
Presentation**

Submitted by: Japan



**Policy Discussions on Trade-Related
Policies to Promote Trade in Environmental
Products and Technologies Including
Regulatory Issues, Contributing to Global
Carbon Neutrality
9 September 2021**



Policy Discussion on Trade-related Policies to Promote Trade in Environmental Products and Technologies Including Regulatory Issues Contributing to Global Carbon Neutrality

MINISTRY OF ECONOMY, TRADE AND
INDUSTRY

JAPAN

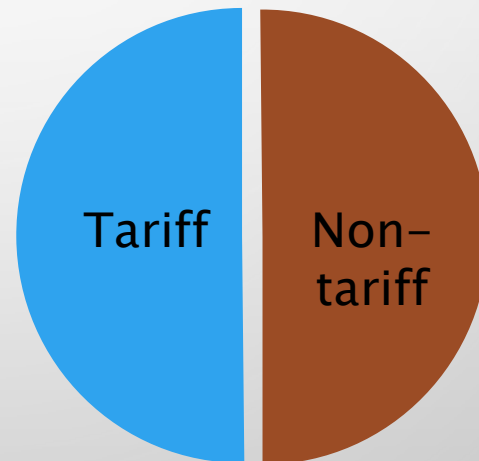


Background

- More than 120 parties have pledged to achieve carbon neutrality by 2050.
- In order to achieve carbon neutrality, approaches related to both tariff and non-tariff trade policy issues are important.
- However, there has not been a holistic international discussion including in APEC focusing on trade related non-tariff issues.
 - ➔ **‘Policy discussion on trade-related policies to promote trade in environmental products and technologies including regulatory issues contributing to global carbon neutrality’**

Tariff-related actions & discussions

- APEC Leaders’ commitment in 2012 to reduce tariffs for 54 items on the List of Environmental Goods
 - Ongoing update of tariff headings for List of Environmental Goods
 - Self-funded scoping study by Australia
- etc.



Examples of measures to promote trade and development in Environmental Products and Technologies

1. Research and Development

2. Facilitating Dissemination/Trade

3. Building Resilient Supply Chains

4. Enhancing Accountability And Transparency Of Domestic Measures

1. Research and Development

- Patent examination
 - Implementation of accelerated patent examination programs which aim to expedite the review of patent applications for green technologies aimed at mitigating or adapting to climate change

e.g. Accelerated Examination and Accelerated Appeal Examination
(Japan Patent Office)

• Green Related Applications

: covers patent applications for **green inventions***

* invention that has an energy saving effect or contributes to CO2 emissions reduction

⇒ Average time for accelerated primary examinations was 2.7 months in 2020, well below non-expedited levels.

2. Facilitating Dissemination/Trade (1)

- Promoting public procurement of “environmental goods”
- Ensuring that newly introduced technical regulations and conformity assessments of each economy do not disturb trade

e.g.

- Explaining reasons and providing available technical evidence, upon request, if relevant international standards are not used as a basis for its technical regulations or conformity assessment procedures (⇒ ref.1)
- Notifying proposals for new technical regulations and conformity assessment procedures that are in accordance with the technical content of relevant international standards and that may have a significant effect on trade to the WTO and inviting written comments(⇒ ref.2)
- Providing relevant information on which it has relied in the preparation of its technical regulation, upon request (⇒ ref.3)

2. Facilitating Dissemination/Trade (2)

Ref.1 Japan–EU EPA (Article 7.6.3)

(b)if a Party does not use relevant international standards, guides or recommendations, or the relevant parts of them, as referred to in paragraph 1, as a basis for its technical regulations or conformity assessment procedures, that Party shall, on request of the other Party, explain the reasons why it considers such international standards to be ineffective or inappropriate for the fulfilment of legitimate objectives pursued, as referred to in paragraph 2 of Article 2 and paragraph 4 of Article 5 of the TBT Agreement, and provide the relevant information, including available scientific or technical evidence on which this assessment is based, as well as identify the parts of the technical regulation or conformity assessment procedure concerned which in substance deviate from the relevant international standards, guides or recommendations

2. Facilitating Dissemination/Trade (3)

Ref.2 CPTPP (Article 8.7.9)

Each Party shall notify proposals for new technical regulations and conformity assessment procedures that are in accordance with the technical content of relevant international standards, guides or recommendations, if any, and that may have a significant effect on trade, according to the procedures established under Article 2.9 or 5.6 of the TBT Agreement.

Ref.3 Japan–UK CEPA (Article 7.9.2 Transparency)

Each Party shall, when making notifications in accordance with paragraph 9.2 of Article 2 or paragraph 6.2 of Article 5 of the TBT Agreement: (a) allow in principle at least 60 days from the date of notification for the other Party to provide written comments to the proposal, except where urgent problems of safety, health, environmental protection or national security arise or threaten to arise and, where practicable, give appropriate consideration to reasonable requests for extending the comment period; ...

3. Building Resilient Supply Chains

- Strengthening rules on export duties and export restrictions regarding “environmental goods” and their parts and raw materials

Ref. Japan Australia FTA (Article 2.6 Export Duties)

Neither party shall adopt or maintain any duties on a good exported from the Party into the other Party , unless such duties are not in excess of those imposed on the like good destined for domestic consumption.

4. Enhancing Accountability And Transparency Of Domestic Measures

- Not retreating measures for reducing greenhouse gas emissions

Ref. CPTPP (Article 20.3.6)

Without prejudice to paragraph 2, the Parties recognise that it is inappropriate to encourage trade or investment by weakening or reducing the protection afforded in their respective environmental laws. Accordingly, a Party shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from, its environmental laws in a manner that weakens or reduces the protection afforded in those laws in order to encourage trade or investment between the Parties.

Conclusion

- There are existing rules and measures, including in trade agreements, that could serve as examples to facilitate the widespread use of environmental goods and technologies.
- Further identification of issues for such goods to be developed, manufactured, and traded globally will be needed for a more comprehensive overview of potential solutions to address them.
- Discussions can then follow as to what approaches can be taken to encourage APEC economies to adopt mutually beneficial policies in this area.