

Failure to reach climate deal could hurt trade

14 MAY 2010

A FAILURE to reach global agreement on climate change could threaten international trade regimes, visiting World Trade Organisation (WTO) chief economist Patrick Low warned yesterday.

This could happen when governments, especially in more developed nations, respond to domestic demands and pressure from environmentalists by introducing measures like taxes on firms with high carbon emission levels and their products.

But the concern among such governments is that their products would be-

come more costly, and that foreign investment would flow instead to economies that were "less green".

Dr Low explained that in order to remain competitive, these countries would then resort to imposing a tax on imports based on the carbon emission levels during the manufacturing process.

"Such moves are deemed to be unfriendly and contentious, which could spark retaliatory actions and lead to a downward spiral in trade," he said here.

The solution is to get enough govern-

ments to accept that climate change is a real problem that needs to be tackled urgently, he added.

He was speaking on the relationship between climate change and international trade at the inaugural Distinguished Speaker Series of the Centre for International Law. The research centre, under the National University of Singapore, focuses on transboundary legal issues.

During the lecture, which drew 40 academics, students and government officials, he said trade wars could lead to ten-

sions and scuttle cooperation on climate change.

Last December's global summit on climate change in Copenhagen succeeded in "blurring the lines" between developed and developing countries on their responsibilities towards the challenge, he noted.

He also fielded questions, including one on whether the ability to afford and use environmentally friendly technology would lead to a new divide between rich and poor countries.

Agreeing, Dr Low said what had to be

done was for developed nations to share the fruits of their research and development in green technology with developing nations.

On whether the WTO should take on the task of coordinating international efforts on climate change, he said this would be stretching the agency beyond its competencies. The United Nations currently oversees this and he said it would be difficult to see an alternative institution taking on the role.

"Perhaps parallel activities among governments most implicated in climate change could be a supplement to the UN," he said.

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