



ROYAL MINISTRY
OF FOREIGN AFFAIRS

Minister of Foreign Affairs

Oslo, 11 March 2008

Dear Pascal!

Trade policy is increasingly being brought into discussions on climate change mitigation. I agree with you that trade regulations are not, and cannot be, a substitute for environmental regulations, yet it is nevertheless important that we ensure that the multilateral trading regime and climate abatement efforts are mutually supportive.

As countries are implementing efforts to address climate change, proposals are increasing for so called offsetting measures to address perceived competitive disadvantages. It is my conviction that such measures will not be conducive to progress in the fight against climate change nor the multilateral trading system. Our experience is that environmental measures have improved the competitiveness of our industries – not decreased it.

The WTO rules are relevant in a climate context in several areas, such as product standards, subsidies, taxes and intellectual property. These rules can prove valuable in the fight against climate change.

In the short term, the most obvious contribution of the WTO would be to conclude successfully the Doha Development Agenda with an ambitious result on trade in climate-friendly goods and services, increasing the availability of such goods and services in particular for developing countries.

Given the mounting pressures for enlisting trade policy in climate change efforts, it is in my view imperative that these interlinkages are addressed. Norway has already taken an initiative in the OECD focusing on Climate Change, Sustainable Economic Development and Trade. We believe that there is scope for the WTO as well to address issues relating to climate change in a more comprehensive manner.

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A basic question that would benefit from closer analysis is whether there is anything in existing trade rules that may hinder efficient efforts to deal with the challenges of climate change. At the same time, we should make sure that the measures of the future climate regime are not perceived as mechanisms to hamper trade. This underscores the need for prudent WTO involvement in these issues.

Some of these questions have already been discussed in various context, including at the Informal Trade Ministers Meeting in Bali in December last year. Looking forward towards Copenhagen in 2009 and beyond, I see a need to address these issues more comprehensively, also within a WTO context. We would be ready to support an initiative from you, as Director General, to arrange a WTO conference or roundtable with interested parties, but would also consider to host such an event in Norway. While hoping for your support in this endeavour, I would appreciate your reactions and suggestions.

Regards

- greeting!


Jonas Gahr Støre