



**RESPONSE MEASURES
IMPACT ON SOCIAL AND
ECONOMIC DEVELOPMENT
THROUGH INTERNATIONAL TRADE**

UNFCCC Joint Workshop on Matters Relating to
Art 2, para 3, and Art 3, para 14, of the Kyoto Protocol

Bonn, 20 September 2011

International Centre for Trade and Sustainable Development

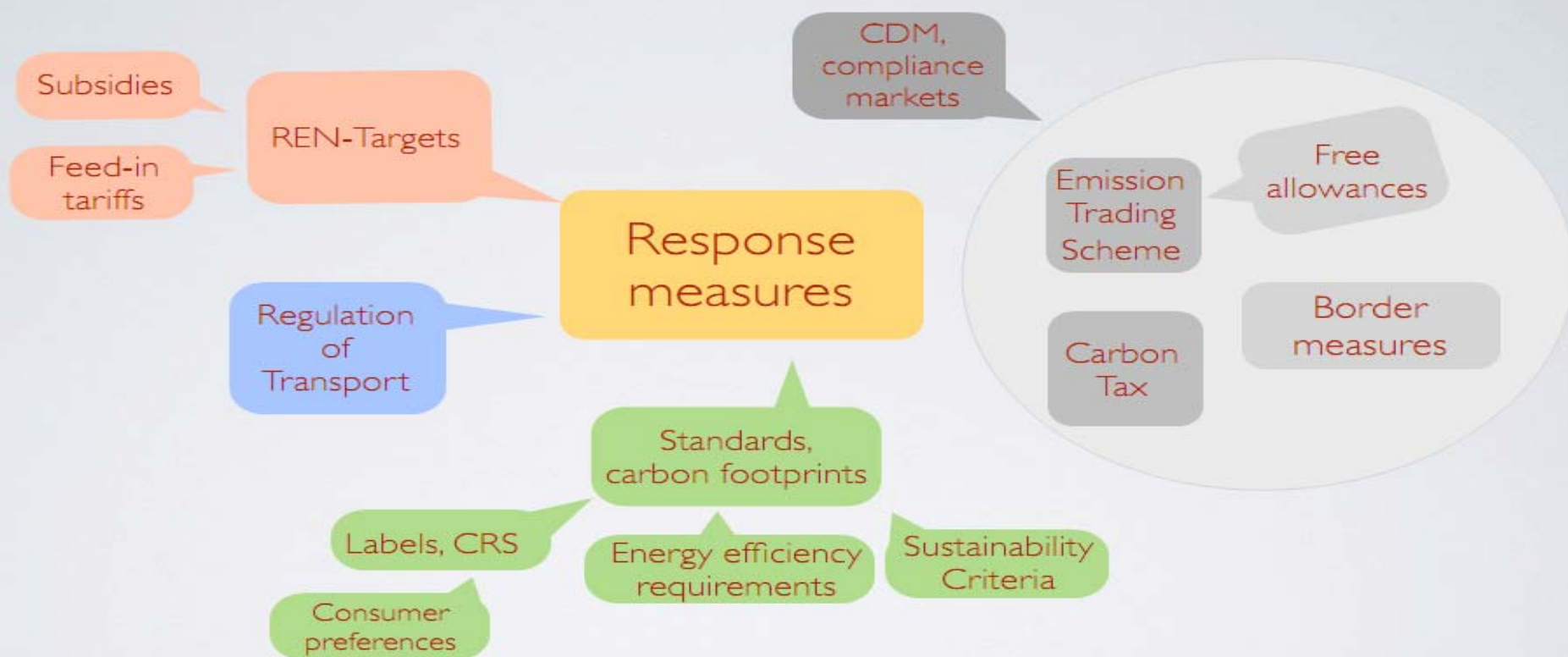
Why trade matters

Trade can be an engine of growth, and with the right flanking measures it can support social and economic development.

Distortions or restrictions to trade can hamper its contributions to sustainable development.

GLOBAL PLATFORM ON CLIMATE CHANGE, TRADE & SUSTAINABLE ENERGY

A broad range of response measures



GLOBAL PLATFORM ON CLIMATE CHANGE, TRADE & SUSTAINABLE ENERGY

Nine ETS in annex I-countries
and at least four planned!



Tuesday, September 6, 2011

Elements of potential subsidies in free allocation

- Receiving allowances for free creates wealth
- Overcompensation
 - ✓ Over-allocation
 - ✓ Pass-through of costs
- New entrants
- Plant closures
- Sectoral bias

Trade vulnerabilities to EU border measures

Country	Share of total exports to EU that could face BCA	Average exports to the EU as a % of total exports
China	18,74%	20,11%
Egypt	38,59%	32,97%
India	40,19%	21,19%
Indonesia	27,31%	11,58%
Iran	7,10%	
Kazakhstan	15,29%	48,73%
Malaysia	6,89%	11,69%
Nigeria	2,59%	20,73%
Pakistan	41,49%	25,7%
Saudi Arabia	22,82%	7,05%
South Africa	28,10%	30,75%
South Korea	11,03%	13,94%
Taiwan	8,49%	
Thailand	11,17%	13,04%

LAC exports subject to US BCAs

Country	Share of total exports to US that could face BCA	Average exports to the US as a % of total exports
Argentina	20.61%	7,39%
Brazil	21.27%	13,45%
Mexico	3.55%	81,06%
Venezuela	3.01%	19,45%
Bahamas	19.24%	71,03%
Bolivia	17.10%	7,65%
Chile	27.38%	12,11%
Colombia	1.52%	37,84%
Dominican Republic	0.01%	61,64%
N. Antilles	0.07%	20,35%
Paraguay	0.04%	1,93%
Peru	21.4%	18,44%
Trinidad & Tobago	20.4%	51,68%

Aviation in the EU-ETS- possible impact on developing countries

- Trade in goods
- Tourism
- CDM
- Use of revenues



What rationale for a forum?

- To help understand the impacts of response measures
- To overview an increasing variety of nationally adopted measures

Possible tasks for a forum

- Notification and review/ impact assessment of response measures
- Compile, structure and make research and analysis available
- Dialogue

Trade-related tasks that are being properly addressed elsewhere

- Rule-making on trade
- Addressing and resolving violations of trade rules
- Trade liberalization and reform

Thank you
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