



August 2023

## Charting a Pathway for Open Trade in Environmental Goods

Environmental goods are becoming more important as the region shifts toward climate transition. Trade is [growing](#), technologies are advancing and new products and industries are emerging. But what exactly is an 'environmental good'? What measures are impacting on supply chains for these goods? What can be done to help make trade more open and encourage their adoption in future?

The Australian APEC Study Centre (AASC) is supporting pioneering work in APEC to grow trade in environmental goods. This builds on longstanding efforts by APEC to reduce tariff barriers to trade through the [APEC Environmental Goods List \(EGL\)](#) as early as 2012.

### Recognising new goods and technologies

The APEC EGL has been successful in reducing tariff barriers to trade. But now over a decade old, it can be updated to include new goods and technologies. The AASC's [Scoping Study](#) (jointly with ANU) explains why the list should be expanded and identifies 21 'new' goods and technologies that could be included. This year APEC trade ministers have instructed member economies to work towards developing a '[reference list](#)' to identify new environmental goods.

### Addressing non-tariff barriers to trade

While tariffs have been a focus in the past, non-tariff measures (such as export and import formalities and quantity restrictions) are increasingly impacting on supply chains for environmental goods. Work of the [APEC Policy Support Unit](#), and the [AASC](#), suggests focusing on reducing these barriers, particularly in priority areas, such as those goods that reduce GHG.

### Collaborating on difficult challenges

Identifying new environmental goods and reducing barriers to trade raises complex issues for consideration by policy makers. Australia's Department of Foreign Affairs and Trade has been facilitating discussions in APEC to improve understanding. The [report on APEC's Environmental Goods Trade Policy Dialogue](#), which was supported by the Australian Government and implemented by the AASC, highlights the many difficult technical and policy issues involved.

### Exploring new pathways

APEC economies are working with [business](#) and [academic](#) networks on innovative ways to promote open trade and support supply chains for the climate-friendly industries of the future. Alignment of regulations, the role of services and the importance of adopting a value chain approach are some of the many issues being considered.

Reports can be accessed here:

[Scoping Study on New and Emerging Environmental Goods](#)

[Report on APEC's Environmental Goods Trade Policy Dialogue](#)

[Study on Non-Tariff Measures Affecting Trade in Goods Reducing Greenhouse Gas Emissions](#)

[A Review of the APEC List of Environmental Goods](#)

*[Kristen Bondietti](#), Program Director Trade Policy and Research, the Australian APEC Study Centre.*