

# How can international trade and trade rules contribute to addressing climate change.

Mikael Anzén, Sweden's ambassador to the WTO.



- Climate change is reshaping countries' economic and trade prospects and is a major threat to future growth and prosperity.
- Trade is a force multiplier for countries' adaptation efforts, reducing costs and increasing impact.
- Trade can reduce the cost of mitigation and speed up the low-carbon transition and the creation of green jobs.
- International trade cooperation can make climate actions more effective, and the low-carbon transition more just, by minimizing trade frictions and investor uncertainty.



WORLD TRADE  
REPORT 2022



## More or less trade?



Production and transport generates emissions



Essential goods?









# Trade and Environment Work in the WTO

- Committee on Trade and Environment
- Plurilateral negotiations on environmental goods, EGA, 2014-2016



# COP 21 in Paris 2015





# Trade and Environment Work in the WTO

## On going:

- Trade and Environmental Sustainability Structured Discussions, TESSD.
- Plastics Pollution and Environmentally Sustainable Plastics Trade.
- Fossil Fuel Subsidy Reform (FFSR)

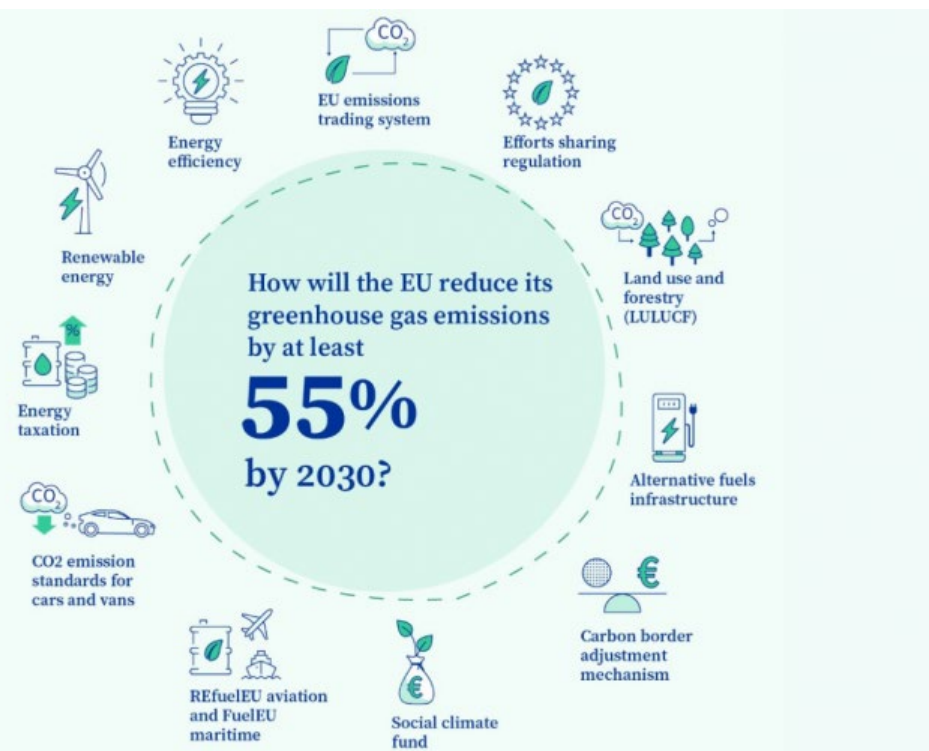


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## **SDG 14.6**

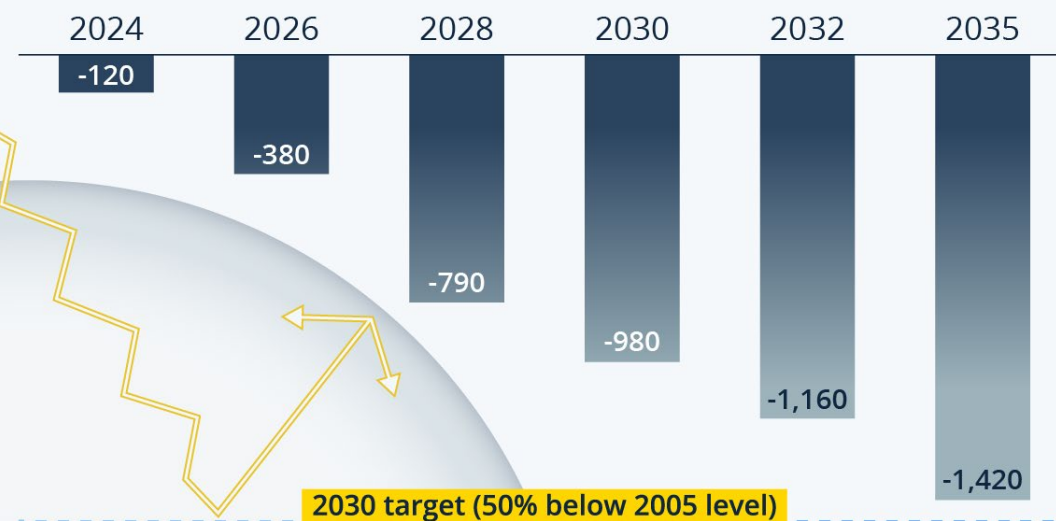
by 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, and eliminate subsidies that contribute to IUU fishing, and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developed countries should be an integral part of the WTO fisheries subsidies negotiation

Sectors covered in the first phase of the CBAM - our environmental policy tool to help maximise the European and global impact of our fight against climate change.



## How the Inflation Reduction Act Will Affect U.S. Emissions

Annual change in net U.S. GHG emissions due to the Inflation Reduction Act of 2022 relative to current policy scenario\*



\* Estimates. In million metric tons of CO<sub>2</sub>-equivalent (Mt CO<sub>2</sub>-e).  
Source: Rapid Energy Policy Evaluation and Analysis Toolkit



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# Take aways

1. Trade should be seen as a part of the **solution** to a better environment and climate, not an obstacle.
2. We must focus on **smart trade**. More can be done on the trade side to support a better environment and climate.
3. We shall be aware that all climate initiatives in the name of trade are not necessarily for the good cause but can be hidden protectionism with overall bad consequences.