

## **Promoting Trade in Green Technologies : Another Way of Looking at Kyoto**

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In a recent speech the EU Trade Commissioner, Peter Mandelson, declared: "One way to look at the Kyoto Protocol -and whatever global agreements will follow- is as an investment and trade agreement. Governments will accept emissions targets. But reaching those targets will depend on the technologies available to their industries. Emissions trading can drive up the cost of emitting green house gasses and thus restrain them. Maximizing exchange and trade in green technology is what will ultimately drive emissions down altogether."

As a first step Mandelson proposed the creation of a global carbon price through emissions trading that puts a clear cost on pollution. And that price has to be global - "carbon emissions have to cost the same in Africa or Asia or America. That then creates the incentive for a global trade in green technologies".

Indeed, different policy makers and researches agree on the importance of the creation of an "open global market in environmental technologies" as an imperative for mitigating climate change thru the reduction of carbon emissions. They call for an open global market in green technologies that would allow such technologies to be freely traded, at least cost and impediment, especially from North to South. But also between the economies of the developing world.

Global leaders in environment technologies, such as most of industrialized countries can carry knowledge-intensive skills and green technologies to developing economies. For instance, European joint ventures are already exporting wind farms and solar panels to China. They are helping companies throughout Asia provide greener air-conditioning and transport. Indian exports of energy-saving water heaters have grown five fold in the last few years. Chinese wind powered electricity generators are increasingly being traded with Africa.

Future global trade policies could point to increase and facilitate commercial exchange of tools and expertise to tackle climate change world wide. Reducing or even removing restrictive national rules on investment or services trade that prevent this transfer of expertise and technology is a policy currently on the negotiation table.

Trade policy is only a part of climate change, but it has an important part to play in combating global warming.