

# 10 things you should know about Trade and Climate Change...

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## Climate talks won't include trade, but they should.

In November, the world's leaders will come together to talk about climate change. Emissions from trade make up nearly half of the UK's total. Yet leaders won't talk about trade and they have not committed to do anything about it as part of their climate commitments.



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## Trade deals can increase greenhouse gas emissions.

Trade deals are all about increasing trade and generally lead to higher emissions. Big emitters like cement or steel are just as likely to benefit as green industries like wind power.



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## Trade deals can stop governments dealing with climate change.

The number of legal challenges that have been raised against governments in response to climate policies is growing. Challenges come in response to a number of important policy measures, from government subsidies to support the expansion of green industry to attempts to ensure changes that result from climate policy benefit local populations.



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## Companies can use trade deals to sue governments for tackling climate change.

Special investment chapters give companies the right to sue governments if a policy reduces their profits. Fossil fuel companies like Westmoreland and Uniper are suing countries for phasing out coal fired power plants. Losing a case costs governments millions of dollars so some countries are stalling on climate action for fear of a hefty pay-out.



5

## Trade deals can make it harder to move away from high-emission food systems.

Our food systems generate a third of the world's greenhouse gas emissions: this needs to change. Trade rules make it difficult for countries to stop the import of food produced in ways that hurt the climate. Lower environmental standards mean cheaper production, which can undercut farmers using more sustainable methods. But trade deals also make it harder for countries to introduce policies that support more sustainable food production, for example if they are considered to be 'too trade-distorting'.



6

## Trade deals make it difficult to share technology to help reduce emissions.

To tackle climate change, all countries will need access to the best technology. There are some moves to bring down border taxes for sustainable technology. However rich countries are refusing to tackle 'patent rules' – which are designed to maximise profits to inventors, who often received public money to support their research. These keep prices high and make it hard for new technology to be adapted for use in different places.



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## Trade deals are binding and enforceable, climate deals are not.

Trade deals are binding on governments and come with mechanisms to enforce them, including costly trade retaliation or compensation. There are some binding commitments in the Paris Agreement – countries are obliged to set targets for cutting emissions – but there is nothing to ensure they keep their promises.



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## If climate change is referred to in trade deals, it is never in enforceable provisions.

Trade deals sometimes contain references to climate change. However they are voluntary and there is little either side can do if their trade partner breaks their promises.



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## Some countries are starting to rethink but the pace of change is too slow.

Scientists say we have 9 years to deal with climate change. Some countries are starting to rethink trade deals, for example, the EU-UK deal made upholding the Paris Climate Agreement an 'essential' part of the agreement. This could offer an extra incentive for both sides to deliver on their promises.



New Zealand is working with other countries to tackle fossil fuel emissions. But these measures still lack enforceability and are likely to be too little, too late – a more fundamental overhaul of the trade system is urgently needed.

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## The UK has done nothing to ensure its trade deals are compatible with its climate ambitions.

The UK has 'rolled over' 35 EU trade agreements and is looking for new deals with countries like the US, Australia and New Zealand. Despite hosting the climate talks in November, it has introduced no new language on climate in rollover deals, and has not signalled any change from the status quo for new deals.



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