

FACT SHEET: WTO Environmental Goods Agreement: Promoting Made-in-America Clean Technology Exports, Green Growth and Jobs

“And I’m directing my administration to launch negotiations toward global free trade in environmental goods and services, including clean energy technology, to help more countries skip past the dirty phase of development and join a global low-carbon economy.” -President Barack Obama, 6/25/2013

On July 8, 2014, the United States and thirteen other WTO members, accounting for 86 percent of global trade in environmental goods, launched negotiations on the Environmental Goods Agreement (EGA) in Geneva, Switzerland. In addition to the United States, Australia, Canada, China, Costa Rica, the European Union, Hong Kong, Japan, Korea, New Zealand, Norway, Singapore, Switzerland and Chinese Taipei are participating in the negotiations. The EGA aims to eliminate tariffs on environmental technologies such as wind turbines, water treatment filters, and solar water heaters. Tariffs on environmental goods can be as high as 35% and pose a significant barrier to trade for U.S. companies.

The EGA negotiations will build on a list of 54 environmental goods on which APEC Leaders agreed to reduce tariffs to five percent or less by the end of 2015, and will explore a wide range of additional products. The APEC list includes a variety of environmental technologies used in a number of environmental applications, including:

- Renewable and clean energy generation (such as solar panels, and gas and wind turbines);
- Wastewater treatment (such as filters and ultraviolet disinfection equipment);
- Air pollution control (such as soot removers and catalytic converters);
- Solid and hazardous waste treatment (such as waste incinerators, and crushing and sorting machinery), and;
- Environmental monitoring and assessment (such as air and water quality monitors), among others.

U.S. exports of environmental goods have been growing at an annual rate of eight percent since 2009. In 2013, the United States exported \$106 billion of environmental goods and total global trade in environmental goods is estimated at nearly \$1 trillion. Increased trade in environmental goods is a key part of both the President’s Climate Action Plan and U.S. leadership in global trade and environmental policy. By eliminating tariffs on environmental goods, we can make them cheaper and more accessible for everyone, while leveling the playing field for U.S. exporters. It will also increase market access for U.S. manufacturers and workers – supporting more green jobs.

As 95 percent of the world’s consumers live beyond U.S. borders, trade agreements that cut the costs of exports to other markets play a vital role in America’s continued prosperity. In addition, our environment is increasingly vulnerable to global threats of pollution that originates off of our shores. An ambitious environmental goods agreement that commits the world’s traders and emitters can simultaneously advance both our trade and environmental objectives.

USTR has engaged in broad consultations on the objectives and priorities for the EGA negotiations, including by soliciting written comments, holding a public hearing, and meeting with Congress, businesses, environmental groups, and labor unions. USTR will continue to consult with these and other stakeholders as the negotiations progress in order to ensure that the EGA is commercially meaningful and environmentally credible, and delivers concrete benefits for the United States.