

# MEDIA RELEASE

Institute of Public Affairs | Australia's leading free market think tank

Tuesday, 1<sup>st</sup> December 2009

## **TRADE MINISTERS MUST OPPOSE CLIMATE PROTECTIONISM AND STARE DOWN 10% CARBON TARIFFS**

"Trade Ministers at the WTO Ministerial this week should unite and oppose climate change protectionist threats that could add a ten per cent carbon tariff on imports," said Tim Wilson, Director of the Trade and Climate Unit at the Institute of Public Affairs.

These comments follow the release of a new research report, *Costly, ineffectual and protectionist carbon tariffs*, at the Geneva WTO Ministerial today by authors Tim Wilson and Caitlin Brown.

"An agreement at the Copenhagen Climate summit next week could prompt protectionism through carbon tariffs," Mr Wilson said.

"Our research shows the risk from carbon tariffs is real and could harm the international trading system, especially harming imports from the developing world."

*Costly, ineffectual and protectionist carbon tariffs*, also found carbon tariffs would:

- harm the same industries they seek to protect;
- be ineffective in offsetting the cost of domestic carbon price signals and addressing potential carbon leakage;
- be administratively impossible to implement, and
- likely breach the obligations of WTO members to treat all imports equally and equivalent to domestically produced products.

"The solution to offsetting the costs of climate change is not through protectionism, but through free trade to maximise the use of scarce resources and increasing the access of low-carbon technologies," said Mr Wilson.

"Trade Ministers must unite and stand against the climate protectionist threat."

*Costly, ineffectual and protectionist carbon tariffs* can be downloaded at [www.sustainabledev.org](http://www.sustainabledev.org)

### **Media contact**

Tim Wilson Director, Climate and Trade Unit

+61 (0)417 356 165 or  
[twilson@ipa.org.au](mailto:twilson@ipa.org.au)