



## **Bridges Trade BioRes**

**News, events and resources at the intersection of trade and biodiversity**

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### **In Brief**

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#### **DISCUSSION SOUGHT ON TRADE RULES FOR BIOFUELS**

According to a new study, the increasing use of biofuels -- alternative fuels based on agricultural feedstocks -- warrants careful study of how trade rules apply to them. The fact that the WTO rules applicable to biofuels were created before the advent of these products means that a "debate needs to occur on how the rules apply to this technology and how or whether the rules need to be clarified or even changed." For example, it is not yet clear whether biofuels can be considered industrial, agricultural or environmental goods at the WTO. Subsidy rules also need to be clarified, especially to avoid the cross-subsidisation of biofuel byproducts, according to the authors.

The study notes that the most efficient producers are located in the South, while the greatest demand can be found in the North. Therefore, there is scope for increased biofuels trade, but for the moment rules and standards governing their production, quality, and trade are "all over the map". In addition, sustainability concerns such as the impact of biofuels on food prices and the local environment in potential exporting countries are coming to the fore (see Bridges BioRes, 6 October 2006, <http://www.ictsd.org/biores/06-10-06/story2.htm>).

Entitled "WTO Disciplines and Biofuels: Opportunities and Constraints in the Creation of a Global Marketplace," the study was jointly produced by the International Food and Agricultural Trade Policy Council (IPC) and Renewable Energy and International Law (REIL).

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