

# **GLOBAL SYSTEM OF TRADE PREFERENCES AMONG DEVELOPING COUNTRIES (GSTP)**

SPR/MA/1  
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**Negotiating Group on Market Access  
Sao Paulo Round**

## Program of Work

*Note by:*  
Mrs. Preeti Saran (India)  
*Chairperson*

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1. At its first meeting held on 19 October 2004, the Negotiating Committee assigned the following tasks to the Negotiating Group on Market Access:
  - (a) Modalities and approaches of market access negotiations;
  - (b) Technical work on accession of interested members of the Group of 77 and China.
2. It also instructed the Negotiating Group to develop its detailed program of work, negotiating plans, deadlines, etc.

## Stages of Programme of Work

3. In pursuance of these instructions, this note outlines the Group's program of work by way of indicative stages, their objectives and preliminary time frames<sup>1</sup>, summarized below. The annex elaborates on some of these stages.
  - (a) **Stage I (Identification of Export Interests)**, from February to July 2005, would cover work on data and identification by Participants of their exports for preferential tariff treatment under the Agreement. By the end of July 2005, Participants would be expected to submit indicative lists of products<sup>2</sup> of interest to them and submit their initial ideas or proposals on modalities of negotiations.
  - (b) **Stage II (Approaches and Procedures, Specific Modalities)**, beginning September 2005, would be devoted to discussions on modalities of negotiations on the basis of submissions by delegations<sup>3</sup>. Ancillary technical provisions of the Agreement relating to market access may also be discussed. By the end of 2005 at the latest, at which time the modalities should have been agreed, the negotiating group shall recommend to the Negotiating Committee a deadline for GSTP Participants to formally notify their intention to negotiate and exchange concessions in stage III.
  - (c) **Stage III (Exchange of Concessions)**, beginning February 2006, would cover negotiations on concessions on the basis of modalities agreed in stage II. By the end of

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<sup>1</sup> The Negotiating Group shall strive to complete stages 1 and 2 as expeditiously as possible.

<sup>2</sup> It shall be open for Participants to submit supplemental lists of products of interest to them.

<sup>3</sup> The Negotiating Group may wish to give priority consideration to working out details of appropriate special treatment for the least-developed country Participants provided for in Article 17 of the Agreement.

July 2006, Participants that have exchanged concessions would submit their final lists of concessions to the secretariat for appropriate administrative processing.

- (d) **Stage IV (Conclusion and Formalities)**, beginning September 2006, would be devoted to crafting a Sao Paulo Protocol to the Agreement that would establish and embody tariff and possibly other market access concessions. In the meanwhile, technical verifications/rectifications of lists of concessions and translations into the four GSTP languages would proceed concurrently. The Group should conclude its work by the end of November 2006 and report accordingly to the Negotiating Committee.

4. The Negotiating Group shall schedule its meetings to permit the participation of experts from capitals. It may recommend the convening of a special session of the Negotiating Committee at senior officials' or ministerial level to review the progress of negotiations in its entirety.

#### **Technical Work on Accessions**

5. Technical work on applications for accession would be assimilated under each of the stages above.

- (a) Stage I – The Chairperson of the Negotiating Group shall invite members of the Group of 77 and China to participate in stage I with a view to facilitating their formal applications for accession to the Agreement by the end of July 2005.
- (b) Stages II and III – Members of the Group of 77 and China that have formally applied to the Committee of Participants for accession by the end of July 2005 shall be invited to participate in stage II and negotiate in stage III with a view to reaching agreement on their lists of concessions and obtaining concessions from GSTP Participants as well.
- (c) Stage IV – Protocols of accession would be finalized at this stage. The Negotiating Committee and the Committee of Participants would carry out formalities on completion of applications for accession.

### Annex

1. The work program is based on the Committee of Participants' decision to launch the Third Round of negotiations (GSTP/C.P./XVII/3) as well as the Sao Paulo Declaration (GSTP/C.P./SSB/5).

#### **Trade and Tariffs Data**

2. The secretariat has carried out an inventory of available trade and tariffs data of GSTP Participants and demonstrated before the Group the operation of the WITS program for use by interested Participants in capitals and in Geneva (SPR/MA/W/1 and SPR/MA/W/2).
3. The Group has to take a decision on the base year of national customs tariffs to use for negotiations, taking into account the base year's technical consistency with the latest available trade flows. Where data is not up-to-date, concerned Participants may wish to provide them to the secretariat at the latest by June 2005.
4. In order to analyze as accurately as possible the opportunities under the Agreement, Participants are invited to inform the Group by 31 January 2005 at the latest of their bilateral, sub-regional and/or regional trade agreements (free-trade, customs union agreements and other agreements). It would be sufficient to indicate the members of such arrangements. With this information, trade flows between or among them would be excised out in any analysis of trade flows under the GSTP.
5. The Trade Information section of the secretariat is prepared to assist Participants install the WITS software in capitals and in Geneva and train their experts on the operations of the software. Participants are requested to inform the secretariat by e-mail of their interest on the matter by 31 January 2005 at the latest so that it could prepare its program of work. The secretariat will render this service at no cost to GSTP Participants.

#### **Stage I - Identification of Export Interests**

6. Article 6 (Negotiations) of the Agreement provides for several approaches and procedures.<sup>4</sup> As an initial step towards formulating the modalities for negotiating and exchanging concessions, the Group should first obtain an appreciation of Participants' export interests under the GSTP. The secretariat shall assist in preparing materials in this respect for information by Participants, to be supplemented or verified by delegations.
7. In April 2005, the Group shall begin discussions on their appreciation of the materials at their disposal with a view to identifying their export interests.
8. By the end of July 2005, Participants should submit to the secretariat their indicative lists of products for potential preferential tariff reductions under the GSTP. The secretariat will circulate these submissions to all Participants.

#### **Stage II - Approaches and Procedures, Specific Modalities**

9. Beginning in September 2005, Participants shall submit proposals on specific modalities for negotiating preferential tariff concessions.

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<sup>4</sup> Article 6.2: "The participants may conduct their negotiations in accordance with any or a combination of the following approaches and procedures: (a) Product-by-product negotiations; (b) Across-the-board tariff reductions; (c) Sectoral negotiations; (d) Direct trade measures, including medium and long term contracts."

10. Discussions on modalities would be carried out in a practical hands-on fashion by linking them with the lists of products developed in stage I. Working hypotheses on modalities would be tested against list of products on the table. Agreement on modalities should be reached at the latest by the end of 2005.

**Stage III – Exchange of Concessions**

11. Participants shall exchange preferential tariff concessions and construct an overall package of market access agreements on the basis of the modalities of negotiations agreed in stage II.

**Stage IV – Conclusion and Formalities**

12. This stage should already foresee the implementation of the concessions by way of a protocol that would establish and embody said concessions. Ancillary decisions would be necessary to improve several provisions of the Agreement as they relate to market access.

**Stages of Negotiations**

Stages	Feb.-July 2005	Sept.-Dec. 2005	Feb.-July 2006	Sept.-Nov. 2006
Stage I – ID of Export Interests	X			
Stage II – Modalities		X		
Stage III – Exchange of Concessions			X	
Stage IV – Conclusion and Formalities				X