
Global System of Trade Preferences among Developing Countries (GSTP)

South-South trade partnership for accelerating the SDGs achievement

Miho Shirotori, Acting Director, DITC (8 May 2023)

GSTP - Principles & Structure

Five components of trade preferences (Article 4)



- Tariffs
- Para-tariffs
- NTMs
- Direct trade measures
- Sectoral agreements

GSTP



Exempted from the MFN Principle (GATT Enabling Clause)



Special provision for LDCs (Article 17)



Accession is open to all members of the G77 (Article 28)

Unique framework for South-South partnership



GSTP Today

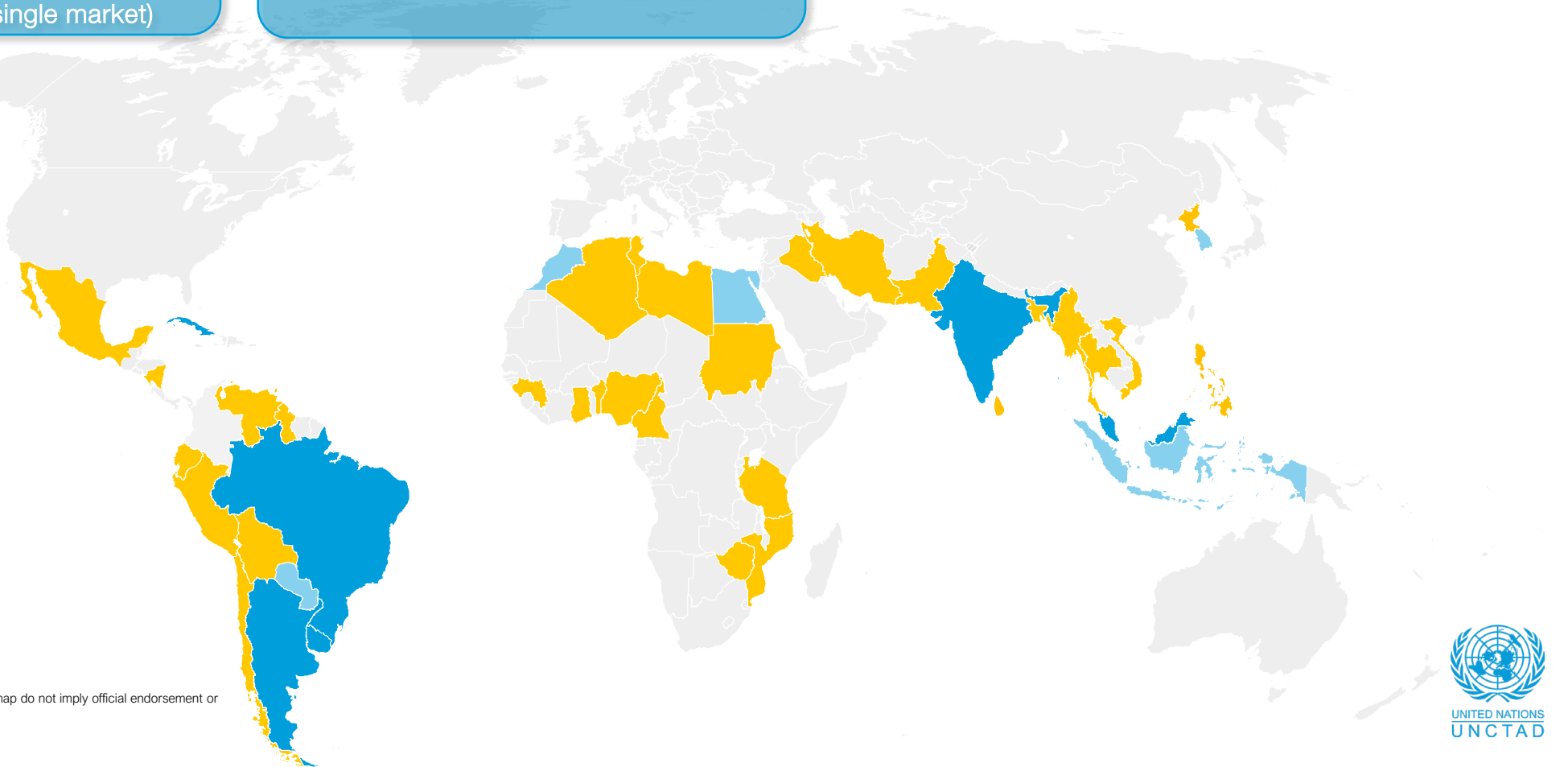
42 Participants
including Mercosur (as a single market)

4 Billion population

16 Trillion \$ market

20% World Merchandise Imports

-  GSTP Members, SPR not signed nor ratified
-  GSTP Members, SPR signed, not ratified
-  GSTP Members, SPR signed and ratified



The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

GSTP - São Paulo Round

- Launched in 2004 (**UNCTAD XI**) & concluded in 2010.
- **8 participants** (or 11 countries) signed
 - Mercosur, Republic of Korea, India, Indonesia, Malaysia, Egypt, Morocco and Cuba.
- Reduced applied tariffs **by 20% on 70% of tariff lines**
- Welfare gains of **\$14 billion** estimated
- Tariff preferences remain **valid today**.
- Can boost new **inter-regional S-S trade**
 - 94% of inter-regional S-S trade will enjoy positive SPR preference margin.
- **One ratification away** from the entry into force.
 - India, Malaysia, Cuba have ratified.
 - Argentina, Brazil & Uruguay among Mercosur members have ratified.



Opportunities & Way Forward

- Comprehensive and agile partnership framework for S-S trade
- Potential for SS cooperation to meet contemporary challenges
- New COP Chair (Ambassador Villegas of Argentina)
- The Group of 77 and China: 60th Anniversary in 2024
- UNCTAD@60 (2024) and UNCTAD16 (2025)

Thank you!

