

# GSTP - The 32nd session of the Committee of Participants

The potential for South-South  
cooperation on food products

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**TESS** Forum on Trade,  
Environment,  
& the SDGs



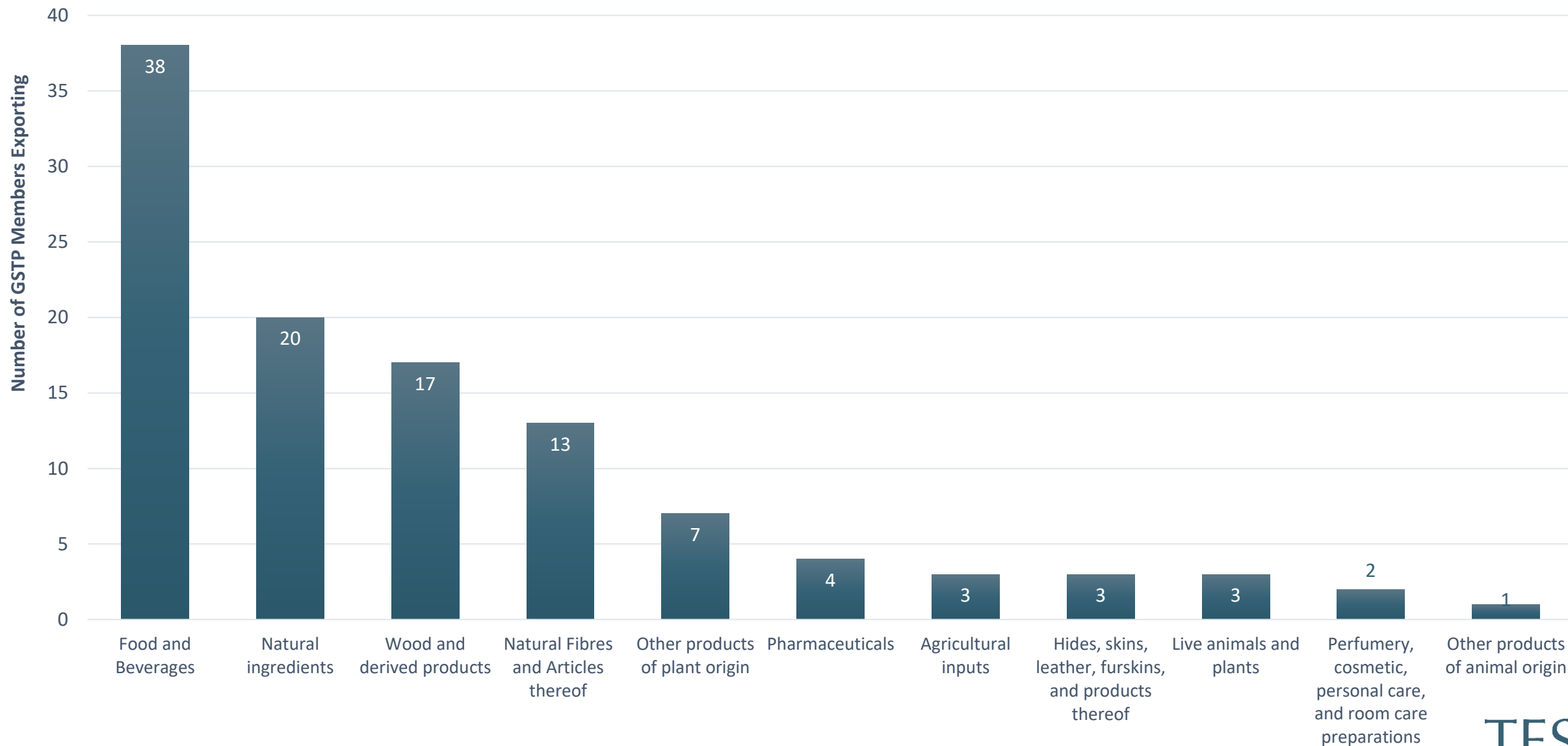
# Overview

- Focus on environmental sustainability dimension of South-South trade in food and agriculture products:
  - Biodiversity – based products;
  - Agriculture-based plastic substitutes.
- Identify areas for future cooperation among GSTP Members.

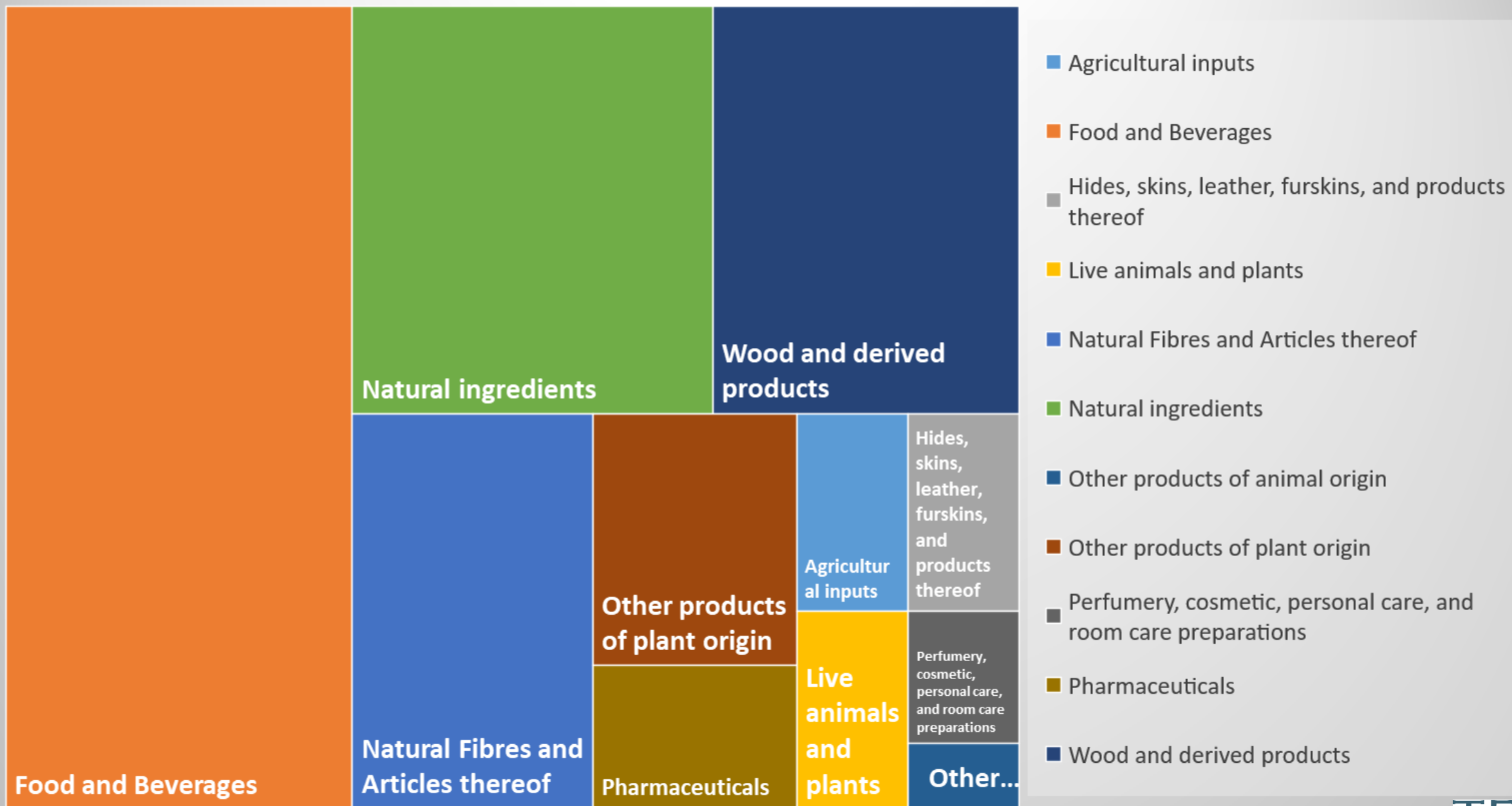
# Trade in Biodiversity-based products

- In line with Target 10 of the [Kumming-Montreal Global Biodiversity Framework](#), GSTP Members can promote trade in biodiversity friendly agricultural products.
- GSTP Members revealed a broad mix of export categories for biodiversity-based products. They encompassed 11 out of 13 categories found on UNCTAD's database on trade in biodiversity-based products.
- The most widespread categories of exports consist of: Food and Beverage; Natural Ingredients; and Wood and Derived Products.
- A stark contrast is that only four GSTP members comprised pharmaceuticals as one of the leading export categories, in terms of a higher value added sector.
- In the case of “Perfumery, cosmetic, personal care, and room care preparations”, only two GSTP members comprised this category.

# Predominant type of biodiversity-based products exported by GSTP Members



# Exports of biodiversity-based products trade from GSTP Members by category



# Trade flows of biodiversity-based products, GSTP11, 2020



Source: UNCTAD database on trade in biodiversity-based products available at <https://unctadstat.unctad.org/en/Biotrade.html>

# GSTP Members relying on biodiversity-based products exports

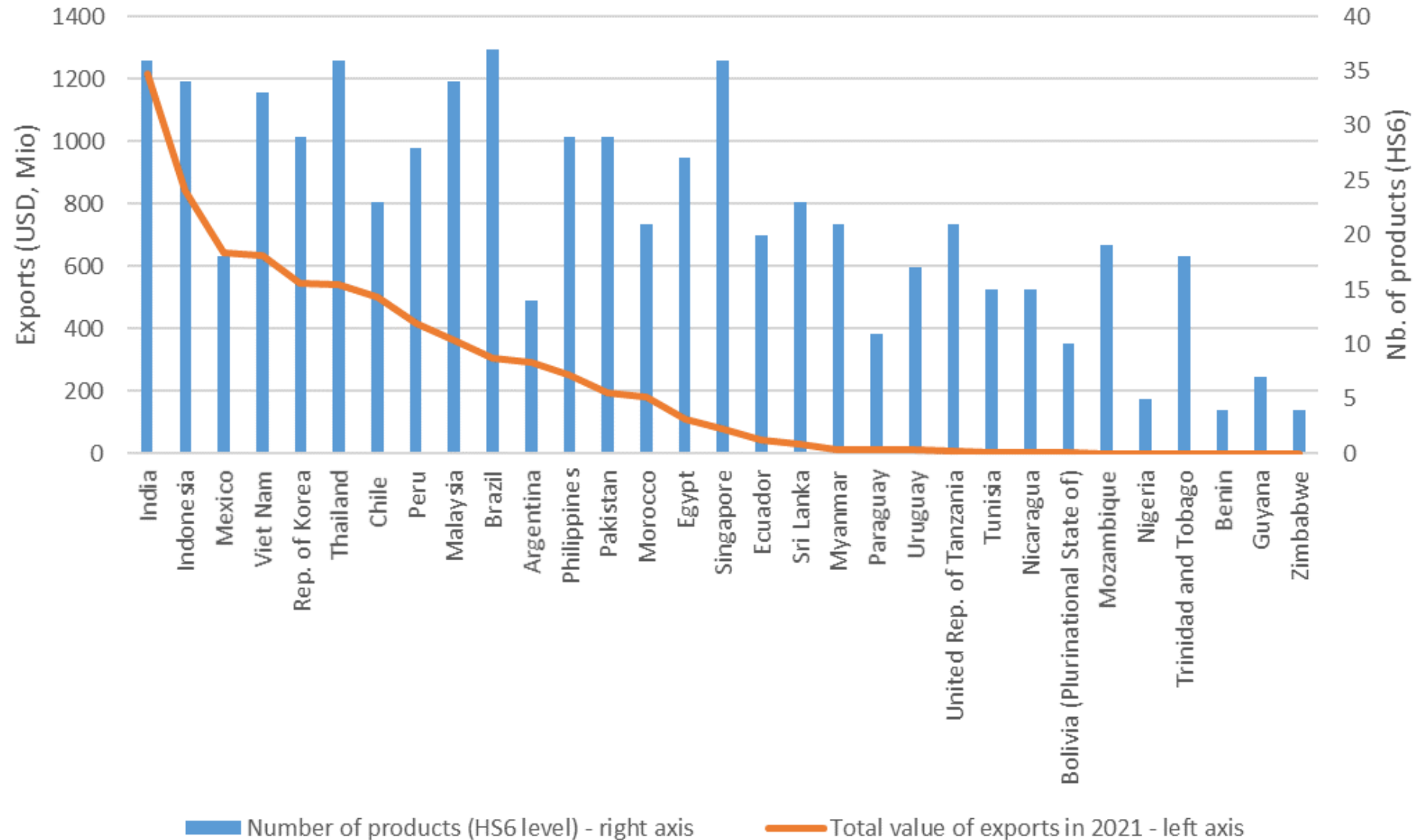
| Exporter  | Top export destinations  | Top exports  | Biodiversity-based products exports as a % of total exports | % of GDP |
|-----------|--|--|---|----------|
| Uruguay   | China (USD 1 377 million)<br>Brazil (USD 618 million)<br>USA (USD 479 million)                     | Food and beverage (USD 4 811 million)<br>Natural ingredients (USD 1 099 million)<br>Wood and derived products (USD 1 069 million)  | 82.30%  | 17.40%   |
| Benin     | Bangladesh (USD 325.9 million)<br>India (USD 86.5 million)<br>China (USD 47.4 million)             | Natural Fibres and Articles thereof (USD 639 million)<br>Food and Beverages (USD 69 million)<br>Natural ingredients (USD 63 million)   | 81.30%  | 13.40%   |
| Pakistan  | USA (USD 3 111 million)<br>UK (USD 1 471 million)<br>China (USD 1 213 million)                     | Natural fibers and articles thereof (USD 15 057 million)<br>Food and beverage (USD 4 427 million)<br>Hides, skins, leather, furskins, and products thereof (USD 893 million) | 75.90%  | 12.10%   |
| Paraguay  | Argentina (USD 1 741 million)<br>Brazil (USD 1 034 million)<br>Chile (USD 738 million)             | Natural ingredients (USD 3 850 million)<br>Food and beverage (USD 2 620 million)<br>Agricultural inputs (USD 813 million)  | 74.50%  | 25.50%   |
| Nicaragua | USA (USD 1 928 million)<br>El Salvador (USD 319 million)<br>Honduras (USD 137 million)             | Food and beverage (USD 2 286 million)<br>Natural fibres and articles thereof (USD 1 271 million)<br>Other products of plant origin (USD 379 million)                         | 66.30%  | 54.50%   |
| Sri Lanka | USA (USD 1 514 million)<br>UK (USD 565 million)<br>India (USD 366 million)                         | Natural fibers and articles thereof (USD 4 153 million)<br>Food and beverage (USD 2 916 million)   | 60.80%  | 16.80%   |
| Ecuador   | USA (USD 2 803.7 million)<br>China (USD 2 576.5 million)<br>Russian Federation (USD 916.3 million) | Food and Beverages (USD 12 434 million)<br>Live animals and plants (USD 968 million)<br>Wood and derived products (USD 622 million)  | 55%   | 19.10%   |
| Argentina | China (USD 4 976.1 million)<br>Brazil (USD 2 935.4 million)<br>Vietnam (USD 2 789.5 million)       | Food and Beverages (USD 21 888 million)<br>Natural ingredients (USD 9 300.5 million)<br>Agricultural inputs (USD 7 773.4 million)  | 54%   | 10.60%   |
| Myanmar   | China (USD 2 550 million)<br>Japan (USD 909 million)<br>Thailand (USD 792 million)                 | Food and beverage (USD 4 102 million)<br>Natural fibers and articles thereof (USD 2 163 million)<br>Natural ingredients (USD 436 million)                                    | 51.90%  | 23.20%   |

# Trends in agriculture based plastics substitutes trade for GSTP Members

- A large number of GSTP members are active in agriculture based plastics substitutes trade pertaining to 37 HS codes.
  - A total of 31 Members are engaged in exports of such products.
  - Out of 40 available categories, 7 GSTP members traded in over 30 of such categories.
- The leading product categories in terms of export value comprised of “Fruit, edible; fruit and nuts”; “Vegetable saps and extracts”; “Forage products”; and “Seaweeds and other algae”.
- GSTP Members widely participated in exports across all product categories.
- Trade in agriculture based plastics substitutes is dwarfed by trade in biodiversity –based products but the high level of participation across various product categories provides scope for diversification.



# GSTP Members' Exports of Agriculture-based Plastic Substitutes (2021)



# Trends in agriculture based plastics substitutes trade for GSTP Members by product category

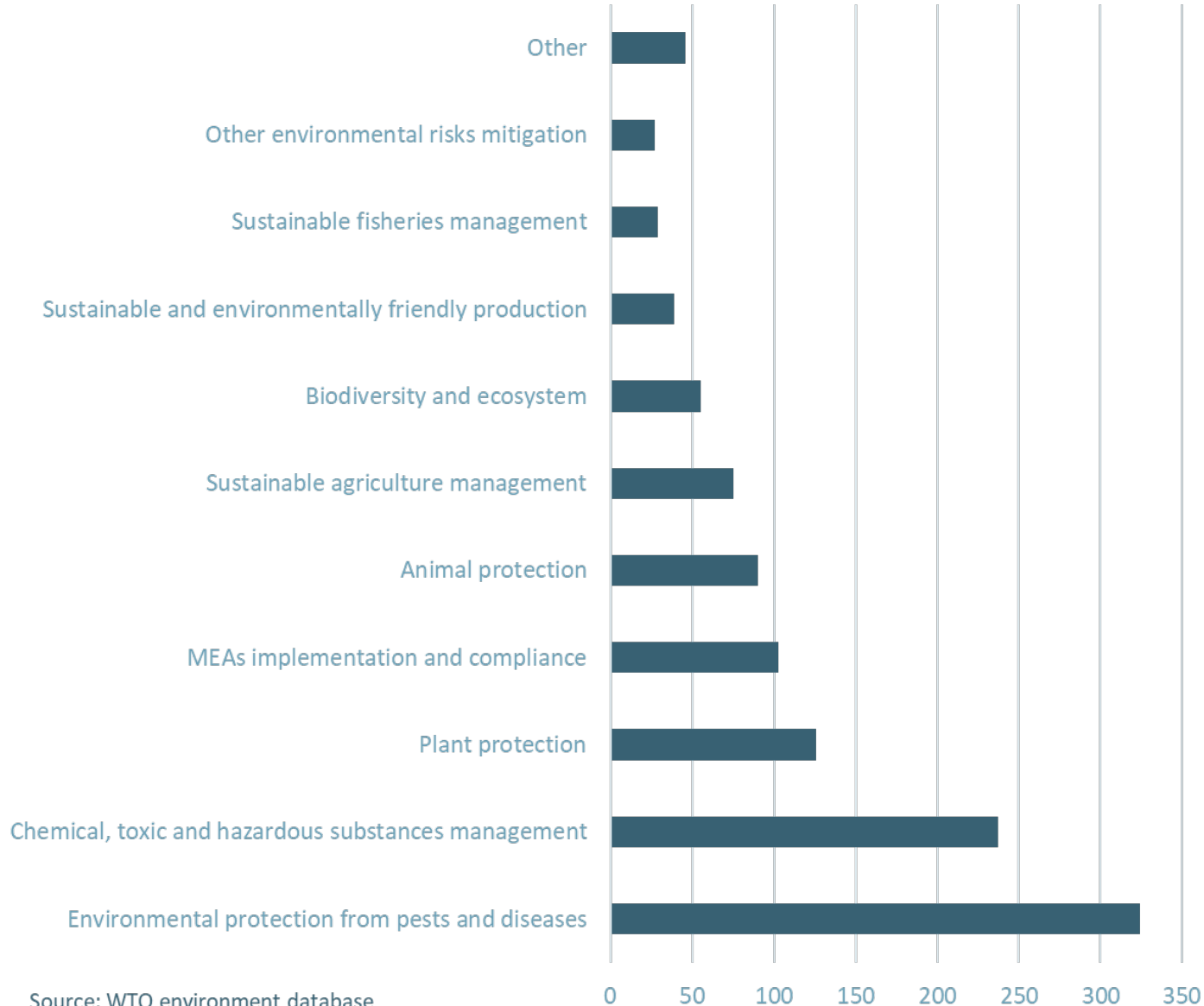
Exports of agriculture based plastics substitutes by products

source: UN COMTRADE database

|   |  |   |   |   |   |   |   |   |   |
|---|--|---|---|---|---|---|---|---|---|
| Fruit, edible; fruit and nuts n.e.c. in heading no. 0811, uncooked or cooked, frozen whether or not containing added sugar or other sweetening matter | Forage products including swedes, mangolds, fodder roots, hay, sainfoin, clover, forage kale, lupines, vetches etc., pelletised or otherwise | Vegetable products; cotton linters  | Mucilages and thickeners; agar-agar, whether or not modified, derived from vegetable products   | Starch; maize (corn) starch   | Animal products; skins and other parts of birds, feathers and down (not for stuffing), powder and waste of such, not further worked than cleaned, disinfected or treated for preservation | Mucilages and thickeners; whether or not modified, derived from vegetable products, n.e.c. in item no. 1302.3 |   |   |   |
|   |  |   | Mucilages and thickeners; whether or not modified, derived from locust beans, locust bean seeds or guar seeds                           |   |   |   | Vegetables and mixed vegetables; n.e.c. in heading no. 0711, provisionally preserved but unsuitable in that state for immediate consumption | Bran, sharps and other residues; of leguminous plants, whether or not in the form of pellets, derived from the sifting, milling or other workings thereof | Sugars; glucose and glucose syrup, not containing fructose or containing in the dry state less than 20% by weight of fructose, the... |
| Vegetable saps and extracts; n.e.c. in item no. 1302.1  | Seaweeds and other algae; fit for human consumption, fresh, chilled, frozen or dried, whether or not ground                                  | Vegetables; truffles and mushrooms (other than of the genus Agaricus), fresh or chilled | Vegetable materials and vegetable waste, vegetable residues and by-products; whether or not in the form of pellets, of a kind used i... | Bran, sharps and other residues; of other cereals, whether or not in the form of pellets, derived from the sifting, milling or other workings thereof | Vegetable waxes (other than triglyceride... whether or not refined or coloured  | Sugars; fructose, other than...   | Seaweeds and other algae; no...   | Starch; n.e.c. in item no....   |   |
|   |  |   | Vegetable products; n.e.c. in chapter...  |   |   |   |   |   | Dairy produ... natural milk...  |
|   |  |   |   |   | Animal products; of fish or crustaceans, molluscs or...   | Vegeta... prepara... bamboo shoots,...  | Starch; potato  | Seeds of...<br>Ba...  | Fr... ed...<br>B...<br>V...<br>V...<br>...  |

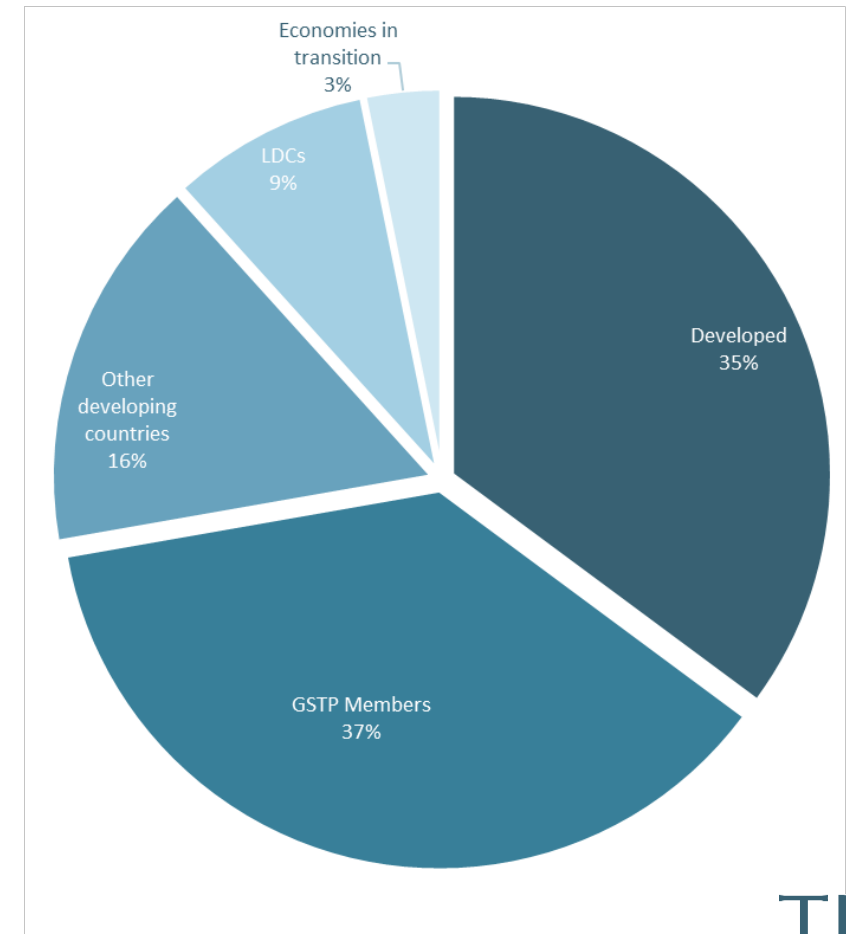
# Environment related NTM in Trade among GSTP Members

## SPS and TBT Measures on Agriculture Applied for Environmental Reasons by GSTP Members



## Share of GSTP Members in all SPS and TBT Measures on Agriculture Applied for Environmental Notified in the WTO 2009 – 2021

Total: 1556 Members notifying



Source: WTO environment database

# Voluntary Sustainability Standards (VSS) and South-South Trade

- According to the ITC standards map, more than 50 VSSs have a presence and are being used in the Global South, with most covering agricultural products
- **Government approaches**
  - National organic standards developed by the governments of India, Tunisia, Chile
  - Indonesian Sustainable Palm Oil and Malaysian Sustainable Palm Oil schemes
- **Multi-stakeholder approach,**
  - Trustea standard, in India providing a sustainability code and verification system for the tea sector in the country
- **Regional approaches,**
  - Eco Mark Africa, established by the African Organisation for Standardisation (ARSO) to be used as a sustainability standard for agriculture, fisheries, forestry, and tourism across Africa
  - EAOPS, in East African is the official standard for organic products
- **Local version of international and private VSSs**
  - Sustainable Rice Platform, which has undertaken pilot projects and set up national chapters of the standard in Tanzania and Uganda

# Challenges associated with sustainability standards in South-South trade

- Administrative costs associated with the certification process and compliance. Tends to exclude many producers in developing countries, especially smallholders;
- Global South has a shortage of accredited auditors, which increases the costs of audits and certification;
- Farmers lack information that is vital to their decisions on using more sustainable practices;
- Lack of demand, and price premium to justify certification compliance costs;
- Absence of a common regulatory or guiding framework and defined transparency rules to distinguish reliable, credible, or effective VSSs from ineffective ones.



Need for common recognition systems to

- Distinguish credible from non-credible standards
- Facilitate the mutual recognition and harmonization of their schemes

# Examples of existing cooperation in the South

- Memorandum of Understanding for mutual recognition seeking to boost the trade of organic certified products between Chile and Brazil (wine and fruits);
- The development of unified conformity assessment across the African continent. E.g. Eco Mark Africa (EMA);
- Inclusion of a VSS in national legislation as a minimum requirement for producing and trading crops in Southern Africa;
- Development of regional organic standards in East Africa and the Pacific alongside local assurance systems that make it easier for farmers to participate in the schemes.

# Thank you!

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