

Global System of Trade Preferences
among developing countries

GSTP 

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD

Harnessing the GSTP to forge development-led, sustainable, and just energy and agriculture transitions among member countries

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Mandate and leverage under Art 4 GSTP Agreement



Art 4 a & b :

Arrangements related to **Tariffs and para-tariffs**



Art 4 c :

Arrangements relating to **non-tariff measures**



Art 4d :

Arrangements relating to **direct trade measures** including **medium and long-term contracts**



Article 4e :

Arrangements relating to **sectoral agreements**

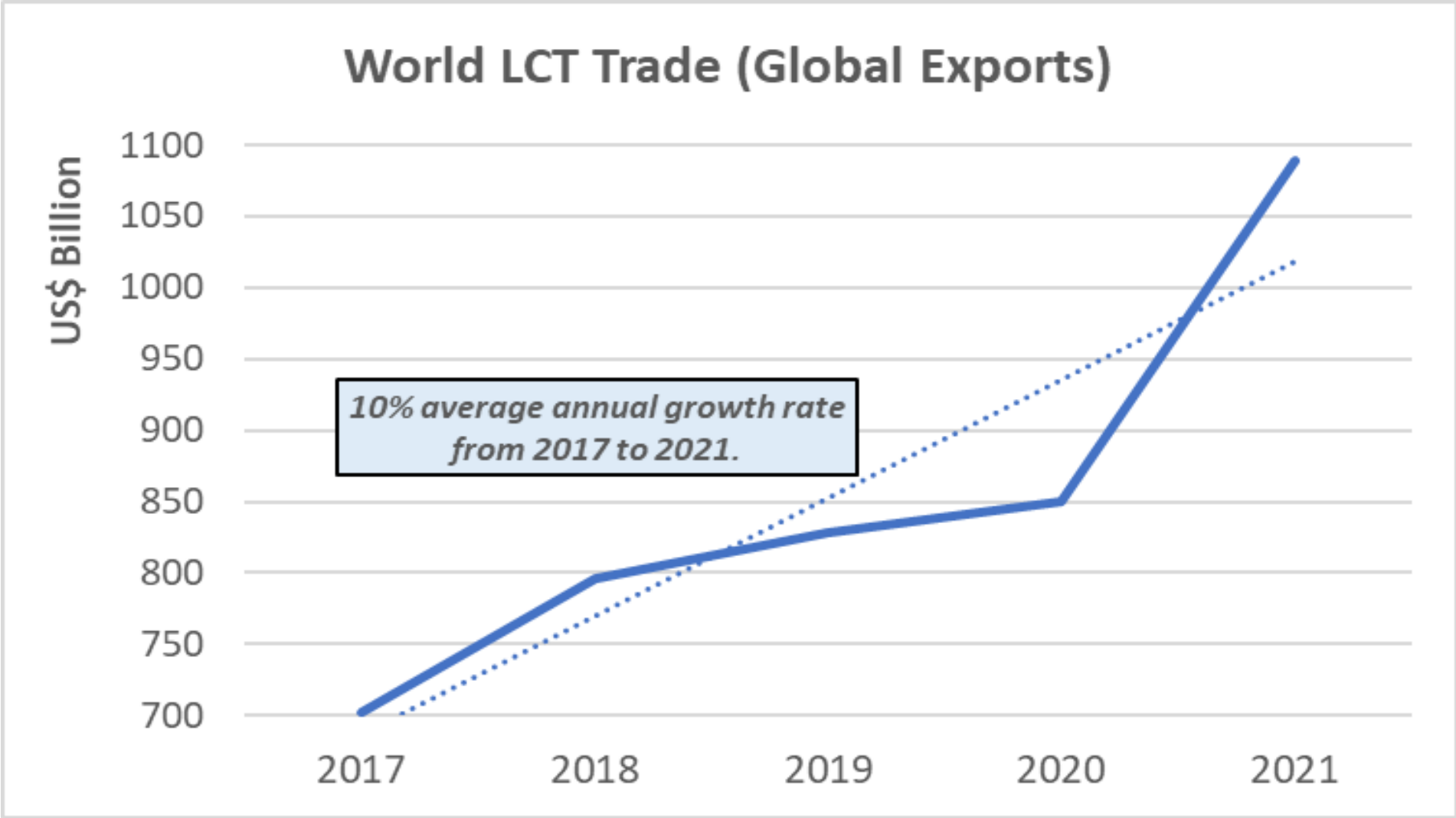
Low Carbon Technologies (LCTs)



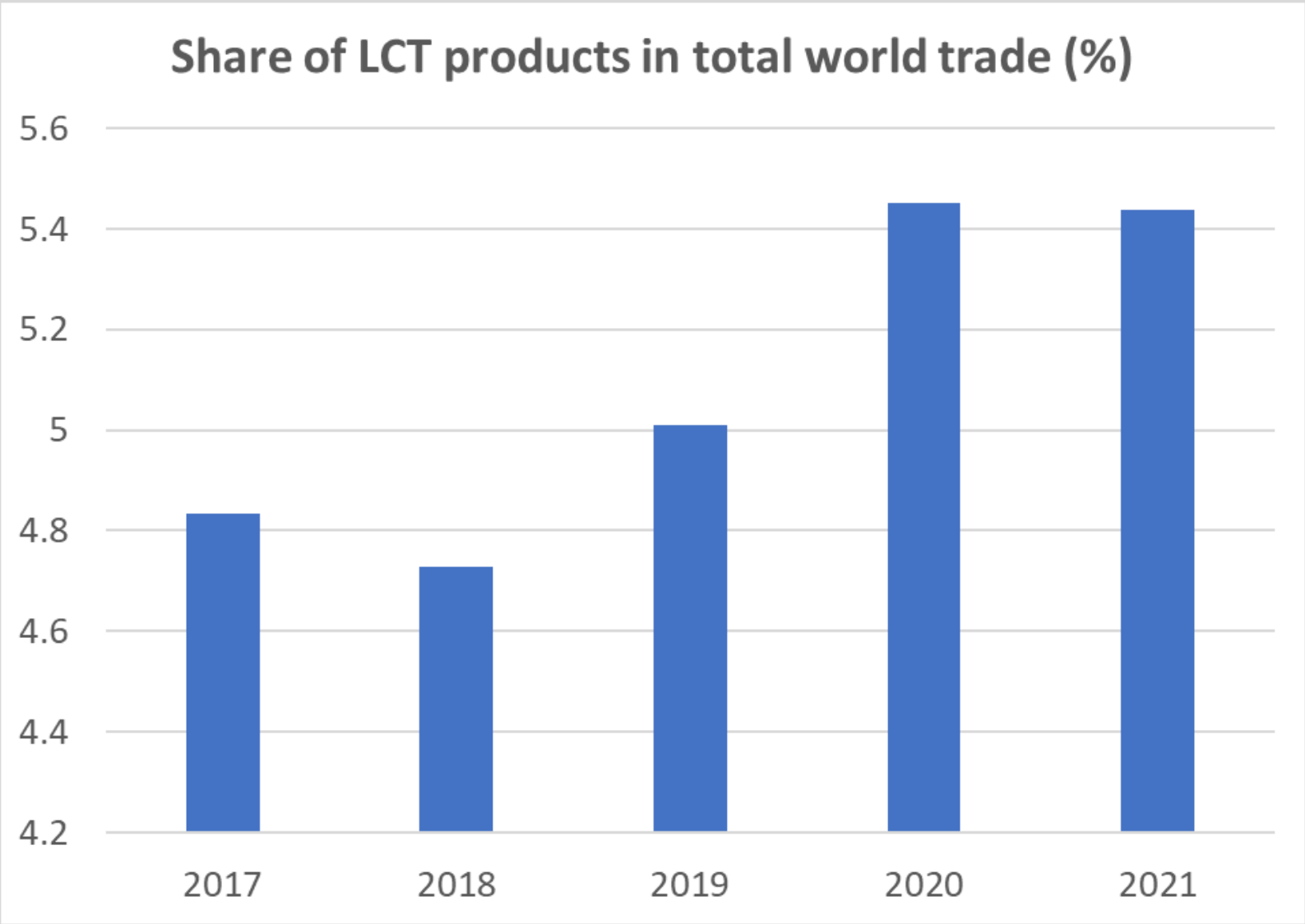
- A wide range of technologies including :
- renewable energy technologies (solar, wind, hydro and sustainable biofuel power generation systems)
 - energy storage and transformation sub-systems that they use to deliver electricity for end use.

LCTs are playing a major role in the energy transition

Unprecedented growth in LCT trade (2017-2021)



Occupying a growing share of world trade (2017-2021)



Opportunities in renewable energy products

Article 4a - Arrangements on tariffs:

- **Preferential reduction or elimination of tariffs** on the LCT products can help the GSTP members enhance trade complementarity among them

Article 4c – Arrangements on NTMs:

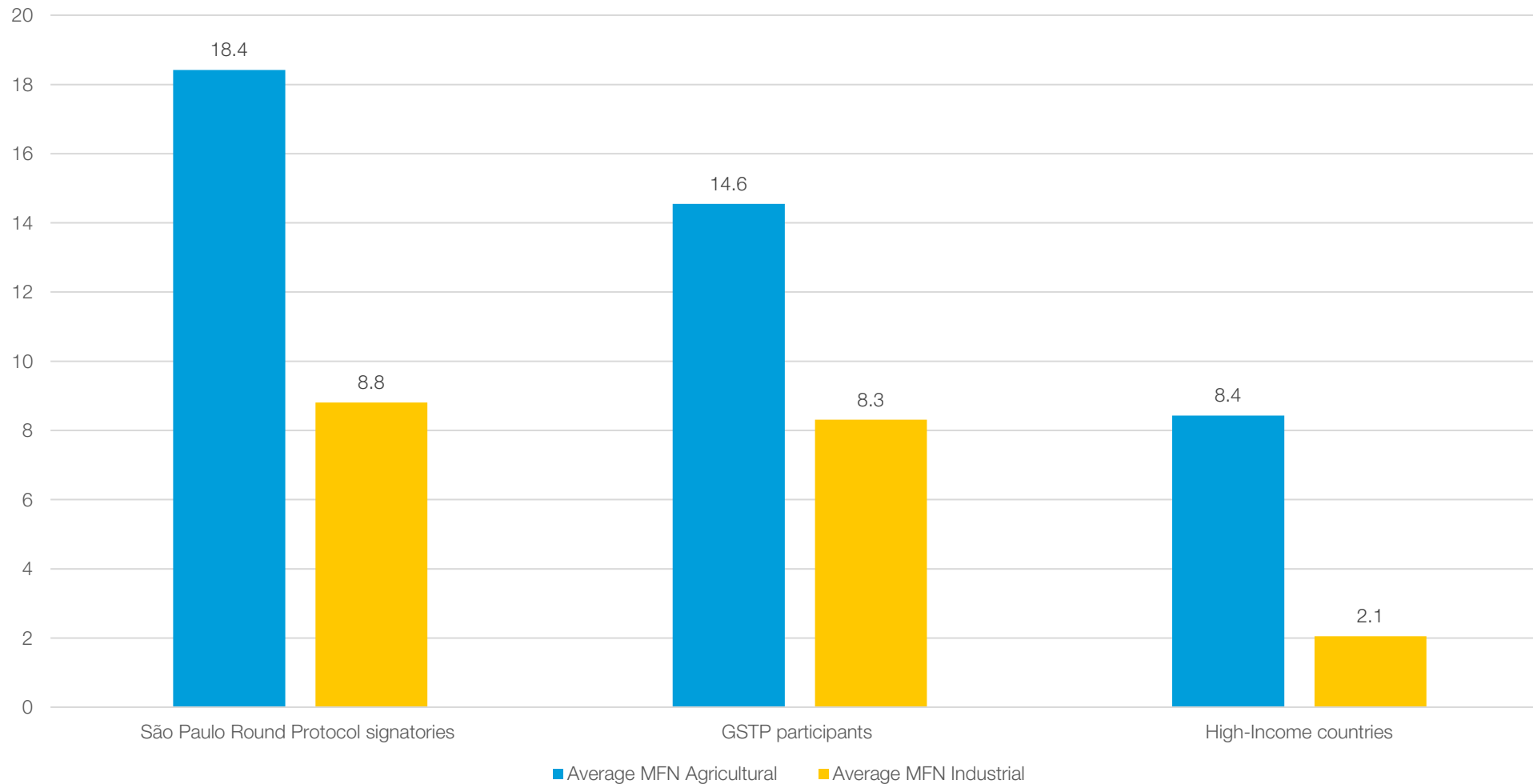
- **Mutual recognition or agreeing on the equivalence of relevant non-tariff measures (NTMs)** applicable to the LCT product imports can reduce trade costs

Article 4e – Sectoral agreements:

- **facilitating public-private partnerships for production, trade, government procurement** of LCT products, capacity building (e.g., research, training), and after-sales services, among others.
- Exploring options for **South-South transfer of technology mechanisms** such as patent pools, joint research and training centers, and regional centers of excellence

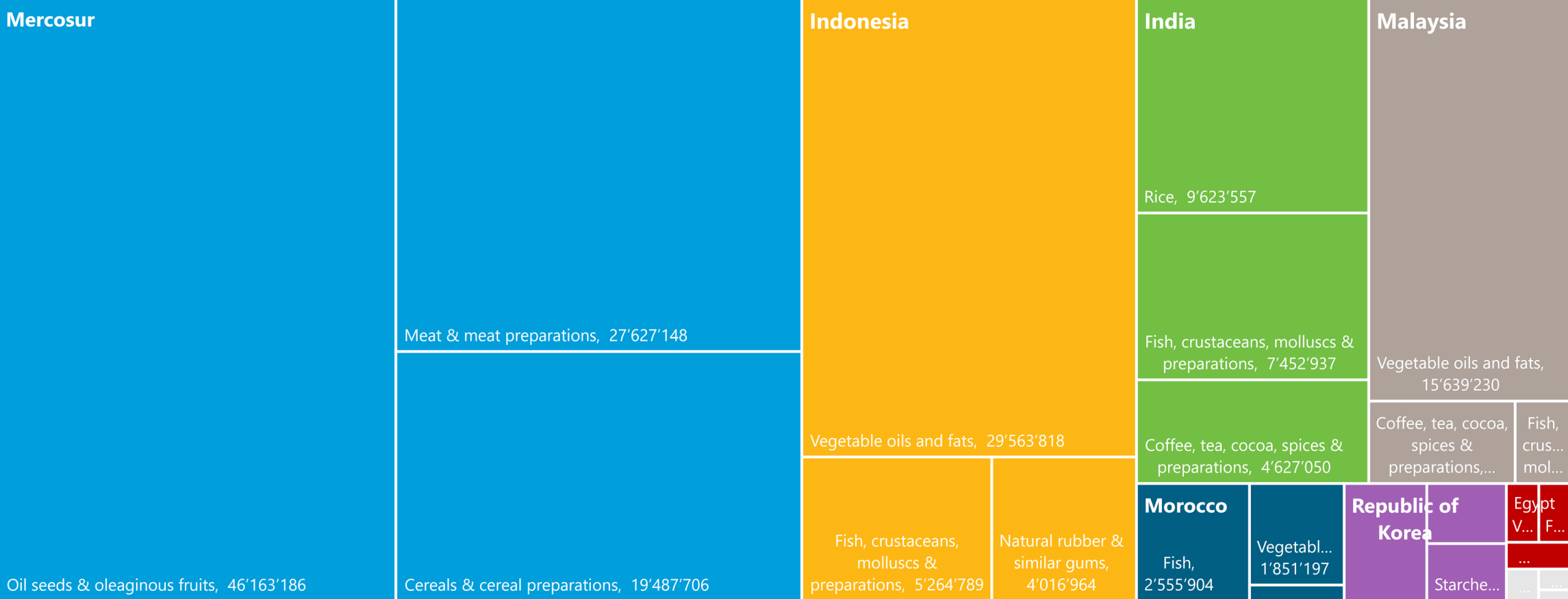
Agricultural tariffs under the GSTP (2021)

There are gains and space for improvements



Agricultural exports are diversified among GSTP members

São Paulo Round signatories, values in US\$ thousands, 2021



■ Cuba ■ Egypt ■ India ■ Indonesia ■ Republic of Korea ■ Malaysia ■ Morocco ■ Mercosur



Opportunities in sustainable agricultural product

Article 4a and 4b: Arrangements on tariffs:

- Expanded markets and increased flows of complementary sustainable agricultural products
- Higher levels of food security by improving access & affordability
- And to agricultural inputs, including machinery, seeds, fertilizer, biodegradable mulch, bags
- Reduced cash crops and other food commodities export dependency and price volatility

Article 4c - Arrangements on NTMs:

- Mutual recognition and clarity of food sustainability criterion
- Greater market opportunities for small-scale farmers and fishers

Article 4d – Direct trade measures

- Supply contracts among GSTP Members in times of food crisis

Article 4e- Sectoral Arrangements

- Exchanges of best sustainable practices, mitigation, and adaptation measures for crops, cattle, fisheries

Trade in plastic substitutes: What's the added value?



One third of the \$388 billion of plastics substitutes exported in 2020 were products with added value. The rest were raw materials.



Source: Prepared by UNCTAD secretariat based on UN COMTRADE

Note: In addition, approximately \$4 billion of potential substitutes for abandoned, lost or otherwise

The potential for health supplies and services



- Many members suffered a reduced access to essential medical supplies during COVID19
- Supply shock due high dependency on imports of essential products from a handful of suppliers
 - 7 of 42 GSTP members were net-exporters of essential medical supplies in 2019.
 - 18 GSTP members imported between 10 to 70 times more than they export essential medical supplies
- Intra-GSTP trade could help improve access, especially in times of crisis
- Cooperation may include drugs, vaccines, medical devises, and health services

Way Forward



Complete the
SPR ratifications



Deepen and expand
SPR benefits

- Tariff cuts
- Coverage
- Membership
- NTMs



Launch a new
negotiation round

- Agriculture
- Renewable energy
- Natural based plastic substitutes
- Trade in health supplies



Expand the scope
of cooperation to
new areas

- Services
- Trade facilitation
- E-commerce
- Technology transfer

- GSTP participants to consider
 - The support of G77 & China is essential
- UNCTAD 16 could provide a renewed impetus and guidance

Thank you!



Questions for discussion:

- 1) How can GSTP members use existing GSTP mechanisms/arrangements relating to tariffs, para-tariffs, NTMs, direct trade measures and sectoral arrangements, to enable further South-South integration?
- 2) Can the GSTP be used to complement/implement commitments under multilateral environmental agreements:
 - a. the Paris Agreement and net zero pledges
 - b. the UN International Negotiating Committee (INC) on a treaty to end plastic pollution/ WTO plastics related negotiations?
- 3) Which are the priority sectors for further cooperation under the GSTP (i.e., LCT products, agriculture, fisheries, plastic substitutes, health products, etc.)?
- 4) How can UNCTAD support GSTP members to enhance their cooperation in the abovementioned areas?

Principles & Legal Effects

