

Global System of Trade Preferences (GSTP)

The Agreement establishing the Global System of Trade Preferences (GSTP) among Developing countries was signed on 13th April, 1988 at Belgrade following conclusion of the First Round of Negotiations. The GSTP came into being after a long process of negotiations during the Ministerial Meeting of the Group of 77, notably at Mexico City in 1976, Arusha in 1979, and Caracas in 1981. The Ministers of Foreign Affairs of the Group of 77 in New York set up the GSTP Negotiating Committee in 1982. The New Delhi Ministerial meetings, held in July 1985, gave further impetus to the GSTP negotiation process. The Brasilia Ministerial Meeting held in May 1986 launched the First Round of GSTP Negotiations. At the conclusion of the First Round in April 1988 in Belgrade, the GSTP Agreement was signed on 13 April 1988. The Agreement entered into force on 19th April 1989. Forty-four countries have ratified the Agreement and have become participants. The GSTP establishes a framework for the exchange of trade concessions among the members of the Group of 77. It lays down rules, principles and procedures for conduct of negotiations and for implementation of the results of the negotiations. The coverage of the GSTP extends to arrangements in the area of tariffs, para-tariff, non-tariff measures, direct trade measures including medium and long-term contracts and sectoral agreements. One of the basic principles of the Agreement is that it is to be negotiated step by step improved upon and extended in successive stages

The GSTP Negotiating Committee at the Senior Officials' level also met at Accra on the sidelines of the UNCTAD XII Ministerial Conference and agreed on; a) participants agreed to carry out negotiations on the basis of across-the-board, line-by-line, linear cut of 20 to 40 per cent on dutiable tariff lines, to be combined with request-and- offer and/or sectoral negotiations; and b) agreement was reached among participants to assume commitments on at least 70% of dutiable tariff lines.