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AFRICA AND THE ON-GOING NEGOTIATIONS ON THE ESTABLISHMENT OF GLOBAL SYSTEM OF TRADE PREFERENCES AMONG DEVELOPING COUNTRIES

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INTRODUCTION

1. The present study is supplementary to the others carried out in response to the decision of the Seventh Session of the Conference of African Ministers of Trade which urged the ECA Secretariat to continue backstopping African delegations participating in multilateral meetings. It also called for studies to be conducted on the Global System of Trade Preference (GSTP) among developing countries. 1/ The subsequent Eighth session not only reiterated this view point but also decided that ECA should collaborate with UNCTAD and OAU in continuing to provide such assistance to African countries. Furthermore it stressed the fact that preparations for GSTP ought to take place at subregional and regional levels. 2/

2. The underlying objective of the GSTP is to restructure the international economic relations. It places emphasis on ways and means of ensuring growth and development through trade. In other words, to make it possible for countries of the Third World to stimulate, diversify and stabilize export growth among themselves. Similarly, to reinforce collective-self-reliance of the countries of the South. Emperical evidence, strongly suggests that preferential tariff measures such as reduction of tariff and non-tariff barriers when combined with mechanisms of payment and export credit arrangement within the context of other sectoral developments provide a reliable base in strengthening and increasing trade flows among participating countries. With the adoption of the Final Act and Declaration of Brasilia which were signed at the end of the meeting, participating countries committed themselves politically to give appropriate effect to the Brasilia Declaration. They also agreed to facilitate the holding of the First Round of the GSTP negotiations.

3. Consequently, the purpose of this study is to review the Global System of Trade Preferences among developing countries (GSTP) within the context of Africa's trade and development. It reviews in particular, the impact of GSTP as a tool for rectifying the loopsided trade relations taking into account the work done by the Negotiating Committee. A number of problems encountered, challenges and opportunities that are likely to acrue within the limited degree of freedom of action available to participating African countries in responding to world economic structures and changes are also reviewed. Information is offered to member states of ECA on issues involved in the first round of GSTP negotiations.

1/ See Report of Conference of African Ministers of Trade, E/ECA/CM.8/13 p.13.

2/ Report of Conference of African Ministers of Trade, E/ECA/OAU/Trade/29 p. 23.

4. It is however important to mention that the difficulty in obtaining information by the Secretariat on country preparatory work and their participation strategies has to a large extent made it difficult for this analysis to be comprehensive in its coverage of most the issues analysed. Nonetheless, the first part gives a brief genesis of the GSTP. The second section assesses the GSTP within the context of Africa's trade structures. The third part looks into the merits of the GSTP negotiating strategies against the background of on-going negotiations. The fourth section offers concluding remarks.

BACKGROUND

5. The heavy dependence on the North by developing countries for both trade and development, coupled with a formidable array of mutually reinforcing negative features on the international scene has forced the latter to find ways and means of loosening and lessening dependence on the former. In particular to get away from the whims of the industrialized countries. The dilemma of developing countries is exacerbated by the slow growth and even stagnation their economies, deterioration of terms of trade since products of great importance to them suffer from price falls, increases in real prices of imports, rising protectionism, beggar-my-neighbour policies and schizophrenic attitude of the North towards free trade which they recommende in theory and obstruct in practice.

6. It is with this background that made developing countries at their Third Ministerial meeting in Manila in February 1976, at the Colombo Summit of Non-Aligned Countries in August 1976, the Mexico City Conference on Economic Co-operation among Developing Countries in September 1976 and the Fourth Ministerial meeting of the Group of 77 in Arusha in February 1979 to emphasize among other things the pivotal role of trade among themselves in their quest to achieve self-sustaining economic development.

7. The above political manifestations took a higher tempo during the Caracas high-level Conference on Economic Co-operation among Developing Countries in May 1981 when they reiterated self-reliance. Indeed the call for self-reliance within the G77 was as a result of the growing awareness by the developing countries that their economic difficulties were to a large extent due to colonial heritage which had made their trade and economic ties with their former over lords not only very close but also prevented them from trading with one another. With the adoption of the Arusha Programme for Collective Self-reliance followed several intergovernmental discussions under the auspices of UNCTAD which led to further defining both the concepts and provided guidelines for the implementation of the GSTP.

8. The GSTP convention proposes to unite 147 countries members of G77 in an agreement which includes among its notable features, trade preferences and other special facilities. 3/ The concept of GSTP for restructuring the international economic relations took shape with the First Round of Negotiations in Brasilia in October 1986 with the adoption of the Final Act of Brasilia. This development is unique because it is the first and only agreement that brings together developing countries, members of G77 to mutually pursue interdependence concretely.

SELECTION OF PRODUCTS OF AFRICAN INTEREST FOR FIRST ROUND OF GSTP NEGOTIATIONS

(a) Structure of trade among G77 countries

9. Trade between African and other developing regions even as late as 1986 was still relatively low. Comtemporary literature shows that developing countries in particular those in Africa, are essentially exporters of primary commodities. This situation has led to a believe that since these countries are competing for the same markets they are unlikely to become economic collaborators or trade partners. A point of view which finds support from certain emperical evidence since the collaboration among producers of primary commodities has tended to be limited to forms of belonging to certain commodity cartels like OPEC or CIPEC. In a majority of cases it is limited to international commodity agreements such as for coffee, bauxite etc.

10. There are however a number of potential and mutually advantageous agreements between some African countries on the one hand and Latin American and Asian countries on the other hand involving trade, industrial joint ventures, technical and financial assistance aimed at enhancing economic development. For example the agreement reached between Zambia and Brazil in the field of mining and marketing of Zambia's precious metals. Similarly the joint venture between Brazil and Nigeria on the transfer of technology to Nigeria. There is also a Shipping Line on a joint venture basis between Brazil and a number of West African States. Algeria also is involved in exploitation, production, transportation, processing and commercialization of its petroleum products with the technical assistance of PETROBRAS of Brazil. A Brazilian bank in Senegal plays an important role in facilitating transactions between some West African countries with Brazil. Such banks may prove very useful in handling operations within the framework of the GSTP as has been the case of INTERBRAS based in Nigeria which is involved in promoting a variety of activities. 4/

3/ See Mohamoud A.B. Hamza, Guidebook for GSTP, Geneva, January 1987.

4/ For full details see, "Africa and Latin America: Prospectives of Interregional Co-operation" UN 1985, pp. 94-95.

11. These inter-regional co-operation ventures are essential pre-requisites for the establishment of the GSTP because they indicate likely possibilities in other fields for enhancing and strengthening trade relations between the developing countries members of G77. Evidence exists that shows how co-operation based on specific experiences acquired by each country could be enhanced with a view to achieving collective self-reliance among the developing countries.

12. At this moment in time, it is important to review the current state of south-south trade because it provides better perspectives about the future within the broad context of GSTP. Secondly, it helps with a better understanding of the interdependence and complementarity of Africa with the other developing regions. Against such a background, it is possible to identify important areas of action for co-operation between these groups of countries. At the same time attention can be properly focused on those areas and policies that can bring about a significant reduction in international economic inequalities.

13. An analysis of the state of trade among the developing countries, member of G77, reveals that inter-regional trade in terms of country involvement by Africa and other G77 states both in volume and frequency of transactions is rather limited. It was only from about mid-1960s that measurable trade began to emerge. Before then it was non-existant. The expansion recorded in the 1970s coincided with the world trade boom. However, even in 1987, trade among the G77 states continued to be characterized as nascent, accounting for a very modest share of international trade. The very low degree of diversification as regards countries involvement, commodities and products traded has resulted in a quantitative and qualitative disequilibria.

14. Associated with the problem of unbalanced trade is the weakness in regional infrastructures. Most groupings of developing countries function within inadequate facilities and therefore incapable of accelerating the rate of inter- and intra-regional trade. This particular factor works against prospects of improvement of trade relations particularly trade in agricultural products, where the constraint of transport, storage and market intelligence are perhaps the biggest bottlenecks.

15. On the basis of available trade data economic relations between Africa and developing Latin America are narrowly confined and concern a handful of petroleum and mineral producing countries. For instance, only four African countries, Angola, Libya Arab Jamahiriya, Nigeria and Gabon traded with Latin America during the period between 1965 and 1969. Petroleum accounted for 93 per cent of Africa's total trade with Latin America in 1984 while Brazil accounted for 77 per cent of the region's exports to Africa and 81 per cent of imports in the same year.

16. Sporadic trade is recorded with regards to non-oil exporting African countries and even this is confined to a few mineral producing countries like Zaire, Zambia, Congo, Morocco and Guinea. Africa's exports to Latin America during 1980-1984 averaged US$4320 million annually while those of Latin America to Africa amounted to US$2900 millions. Matters of trade with other developing regions in Africa also raise some concern because even its own intra-regional trade has not made much headway in terms of increased exchanges and the involvement of countries themselves. Intra-African trade in 1970 accounted for 5.6 per cent of Africa's total trade. In 1980, that share had dropped to only 3.0 per cent pressured by the 1980 recession. Until 1985, the share of intra-African trade in the total Africa's trade stood at 4.0 per cent, lower than 1970 level. 5/

17. The negative aspects of Africa's trade relates to its slow growth rate with non-traditional partners including other developing countries of G77. The combined percentage share of Africa's trade with her non-traditional partners between 1983 and 1985 was about 18.4 per cent in the case of exports and about 22 per cent in the case of imports. The annual average of Africa's imports from centrally planned economies was about 8 per cent of Africa's total imports while Africa's exports to this market averaged 5.3 per cent annually. Africa's export to the other developing countries was 13 per cent annually as against over 18 per cent of imports from the same source. 6/ These figures show that potentials remain largely unexploited.

18. Similarly Africa's trade with Middle East States is also characterized by imbalances. Africa imports more than it exports to this region. Trends also show that trade exchanges have been declining since 1975. For instance, Africa's imports accounted for 4 per cent against 3 per cent exports in the total share of Arab trade in 1970. 7/ The middle East accounted for 5.3 per cent imports and 0.9 per cent exports of Africa's trade with the world in 1980 six years later in 1986, the total shares of Middle East had dropped to 2.9 per cent for imports and 1.1 per cent for exports. 8/

5/ U.N. Monthly Bulletin of Statistics, Various Issues.

6/ Ibid.

7/ Development of Trade between Arab World and developing Africa, 1970-1981, Vol. 11, p. 11.

8/ IMF, Direction of Trade Statistics.

19. On the contrary, intra-Latin-American trade was quite significant despite certain observed declines. The percentage share of inter-trade in the Latin American region during the first half of 1980s varied between 20.8 in 1980, 20.9 in 1982, 17.3 in 1984 and 15.3 in 1985. 9/ An important and large content of the trade was in petroleum that was refined in some of the largest oil refineries found in Latin America for re-export.

20. Trade among Asian countries also had been on the increase as a result of the petroleum products. The share of Asian exports in Arab trade fluctuated between 10.6 per cent in 1970, 17.0 per cent in 1976 and 15.4 per cent in 1980 while imports were about 9.3 per cent in 1970, 13.4 per cent in 1976 and 15.5 per cent in 1980.

21. The pattern of Africa's trade with other developing regions has varied a great deal, and presents no clear trend due to the high content of petroleum. In 1970 developing regions together absorbed about 10 per cent of Africa's total exports dominated mostly by agricultural products. On the other hand, Africa obtained more than 20 per cent of its imports from the other developing regions.

22. In the light of the above sombre picture of Africa's standing it would seem that the GSTP is of less appeal to developing Africa whose export products are characterized by a heavy reliance on raw materials and agricultural products. Products which according to the Brussels Tariff Nomenclature (BTN) are concentrated in Chapters 1 to 24 and therefore not likely to be affected by tariff and non-tariff cuts. However, such products as meat, fish, fruit, vegetables, tobacco, cocoa butter are either under quota system or carry high tariff rates in traditional markets and therefore could be of special appeal to Africa within the context of the GSTP.

23. An additional expectations of GSTP is that it could open up avenues for multilaterally negotiated trade and agreements. As the prices and demand for manufactured goods tend to be more stable than is the case with primary commodities, therefore increased trade through GSTP would ensure stable and expanding export earnings for African exporting countries. To this end, GSTP could be of benefit to African countries in enabling them establish export programmes in manufactures and eventually to overcome their structural weakness attributable to over dependence on the exports of primary commodities. Africa could also gain access to non-traditional markets for her manufactures and semi-manufactures as well as processed and semi-processed products.

9/ See United Nations Monthly Bulletin of Statistics, Various Issues.

24. The success of the GSTP concept will depend not only on negotiated and lowered tariffs but also on the extent to which a number of existing obstacles can be overcome. Not least of all is the lack of information about each others products but also trade control measures against imports. There is also a lack of physical and institutional infrastructures capable of sustaining what GSTP aims to achieve. The legacy of historical connections also makes it difficult to diversify trade channels in directions other than traditional ones. These factors are further reinforced by the role played by transnational corporations in production, marketing, distribution and transportation in the economies of third world countries which still prefer to restrict trade to traditional partners.

(b) Criteria for selection of products for GSTP negotiation

25. In accordance with the Articles of the Agreement, the negotiations concentrate on tariffs, non-tariffs, para-tariffs, direct measures including medium and long-term contracts and sectoral agreements. Tariff reduction negotiations focus attention on generalized preference margin of a linear reduction or on a product-by-product basis or even by a combination of the two approaches. The guidelines allow participating countries to pursue any of all the approaches. This framework is for first stage of negotiations and will be subject to review from time to time.

26. The preceeding analysis is sufficiently illustrative of the low level of trade between developing regions of Africa, Latin America and Asia. The data confirms Africa's trade structure as characteristically dependent on the export of raw materials of agriculture and minerals on the one hand and importing a wide range of manufactured goods on the other hand.

27. In a bid to select products that qualify for the first round of negotiations for the purposes of exchange of trade concessions, the Negotiating Committee of the G77 on GSTP adopted the Agreement of GSTP as a provisional legal instrument. The techniques and modalities for the first round of negotiations adopted at the Brasilia meeting are based on the Agreement on GSTP. The Technical Negotiating Committee also proposed a set of provisional criteria for consideration. The proposed criteria for selection of products to qualify for negotiations aim at minimizing the administrative difficulties and to eliminate insignificant products from the offer lists. It is based on the following criteria:

(i) Only products whose export value to the world or to G77 is at least one million and above US dollars can be considered for negotiations;

(ii) A product in which a country ranks among the first ten (10) major developing countries importers reflects major G77 markets for that product;

(iii) Thirdly the products in which a country ranks among the first ten (10) major developing countries' exports to the world and/or to G77.

28. By implication, the proposed criteria are geared towards high value products and major exports of which African countries are unlikely to feature. It leaves a vast number of African products apart from the LDC states outside the realm of GSTP negotiations. It should be mentioned that the Articles of the Agreement allow for special treatment of least developed countries (LDCs). Article 7(2) provides that participants who are LDCs need only identify their products of export interest for which they seek concessions in the markets of G77 countries. Article 9(3) also provides that participating states could grant concessions on tariffs and para-tariff to exports originating from participating LDCs without reciprocity.

29. In accordance with the objectives of GSTP and in response to the decisions taken at Mexico City Conference in 1976, products and groups of products selected are intended to enable the regions to benefit equally from the GSTP scheme and to assist the least developed countries to realize accelerated rate of industrial development without which their interest in GSTP might not be forthcoming. 10/ However, the trade patterns, the objective targets of selecting products should have been stimulating and stabilizing export growth between these regions if the selection criteria had aimed at those products likely to diversify Africa's production patterns since hitherto Africa has been geared to supplying raw materials for industries in the developed countries and lately to other developing regions.

(c) Africa's participation in the First Round of GSTP Negotiations

30. Available data reveals the following African states as having indicated their intention to participate in the on-going negotiations: Algeria, Angola, Benin, Burundi, Burkina Faso, Central African Republic, Congo, Cote d' Ivoire, Egypt, Ghana, Guinea, Kenya, Libya, Madagascar, Malawi, Mozambique, Nigeria, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Tunisia, Uganda, Zaire and Zimbabwe.

31. A number of these countries have submitted lists of their products of export interest. For those countries which were unable for any reason and in order to facilitate the process of defining a list of products of export interest, information from UNCTAD data bank has been used for the purpose of establishing indicative lists of products. Under the UNCTAD GSTP project, verification of the data was sought from the concerned countries. On the basis of these lists a final consolidated list based on the Customs Co-operation Council Nomenclature (CCCN) classification, was established for consideration by the participating parties with a view to enabling them exchange concessions on request made. In order to better appreciate some of these developments, the annex tables reflect supply, demand and conditions of market access for commodities of African origin.

10/ See Doc. TD/B/C.7/35, p. 1.

32. Data given in the tables show products of export interest to a few African countries. It also shows the percentage of each country's export to the world, to G77 and their ranking position among the major exporters. It is important to note that some African exporting countries rank quite high both in global terms and within G77 countries.This is despite of the low percentage contribution to world trade. Cameroons palm oil is a good example of this. The data in the tables give the position of Africa in global and G77 trade on each submitted product.

33. The importance of supply and demand tables stems from the fact that products of export interest submitted by the G77 countries in the context of GSTP negotiations have been merged in order to indicate which countries are interested in each product. It also identifies which are the major G77 importers as well as tariff and other conditions in importers markets. The analysis of the tables takes into account the position of LDCs in the GSTP Agreement which inter alia stressed that participating parties could grant concessions to exports originating from participating LDCs without reciprocity.11/ In this regards,LDCs have indicated commodities for which they wish to undertake supply commitment while on the other hand importing countries have indicated products for which they invisage undertaking imports commitment.

34. However the information provided in the tables is limited by the number of products, the divergence of dates which also affects the comparison of export values as they pertain to different years. Trade control measures i.e. tariff, para-tariff and non-tariff measures of some G77 countries which have shown an interest in participating in GSTP dates back to 1976. The legislation, i.e. trade codes and other measures which regulate trade in most cases is generally too distant and even dates back to the colonial period. These shortcomings hinder the satisfactory and in-depth analysis of the supply and demand structure of trade of the developing countries. Despite these shortcomings, the data gives some vital information on available markets for Africa's exports.

35. The supply and demand tables though inexhaustive, give important information on the potential and existing markets for products of export interest to Africa. Only two countries (Mozambique and Zimbabwe) have substantive export components of non-agricultural products; iron and steel for Mozambique. In Zimbabwe on the other hand, pig iron accounted for 9.9 per cent of Zimbabwe's exports, nickel alloy for 6.7 per cent and manufactured tobacco accounted for 5.8 per cent in 1982. However these products did not feature among the first 10 that qualify for the GSTP First Round of negoations. Non-theless these products stand a good chance on the basis of concessional rates to be negotiated. Import charges on tobacco vary between 3 and 12 per cent with a number of non-tariff barriers. Lower import duty of about 3 per cent and 2.6 per cent on tobacco respectively are in Saudi Arabia and Uruguay.

11/ See GSTP Article 17, Special Treatment for Least Developed Countries.

36. Against this kind of background, a majority of Africa's exports will be eliminated. An illustrative case is that of Zaire whose list of products of export interest contains more than 113 products which not only confirm further Zaire's export performance and potential as significant. Unfortunately, the criteria used in ranking the first ten exporters to either G77 or the world reduces the list to only 13 products. The same applies to numerous other African exports as in the case of Kenya which fall from 77 to 9 items.

37. The same is true of other products of export interest to African countries. Kenya like Senegal and Cameroon to mention a few countries, have a large variety of highly competitive products both in the world and G77 markets. At the time of writing Kenya had not submitted a list of products of export interest. However, the CCCN items in which Kenya has less than US$ 1 million value of exports to G77 and the world cannot be included except for those items for which she ranks among the first three major developing country exporters to the world and/or to G77. 12/

38. The analysis of supply and demand structures also indicates import deficit in the intra-African trade that is represented by differentials between imports and exports of fresh, chilled and preserved meat and fish. Africa's major exporters of bovine meat like Ethiopia, Kenya, Sudan and Somalia and fish by Senegal have market prospects in the deficit countries in both their subregions and Africa as a whole. Senegal has a potential to supply Africa and other G77 markets with fish fillets, fresh, preserved fish and cod at zero per cent tariffs in Algeria, Cote d'Ivoire, Niger, Nigeria and Egypt. A reduction in tariff rates within the GSTP schemes would make market accessibility in other G77 much more favourable for these products.

39. Others like Cameroon and Zimbabwe have potential export products for the world markets, except for the difficulty brought about by reduced demand and falling export prices. For example, Cameroon's variety of cocoa products which include cocoa paste, cocoa butter with demand in Senegal, Kenya, Bangladesh, Morocco, and Ghana could through an elimination and/or reduction in existing tariff rates within the context of GSTP encourage exports of these products into the G77 markets.

40. Another major area of interest concerns African LDCs who have indicated their interest to participate in the GSTP negotiations. Their products of export interest are mainly submitted for prospective importers from whom they are to negotiate tariff concessions. A number of markets in G77 operate with differing levels of tariff rates as shown in supply and demand tables which also indicate prospects in those markets.

12/ See Doc. 092E(4) UNCTAD Information accompanying computer-print-outs on CCCN items, 13 November 1986.

41. Benin is one example of an LDC and whose principal export is palm kernel oil accounting for 2.2 per cent and ranks 8th among the world exporters. The submitted list of products of export interest contained four products(cocoa,cotton, palm oil and palm kernel oil). However, Benin does not export much into G77 market even though her likely G77 markets for this product are Algeria, Argentina, Egypt, India and Malaysia have tariff rates that vary between 2 per cent in Egypt and 21 per cent in Argentina. Negotiations to reduce or eliminate these tariffs should be coupled with efforts to increase production with a view to enhancing exports to G77 markets.

42. Burundi indicated an interest to participate in GSTP but has as yet to submit its list of products of export interes. Burundi's export structure on the basis of SITC shows as main exports in 1982 coffee, pearl stones, natural abrasives, and crude animal matters. Markets for coffee among the G77 would seem to include countries like Algeria, Argentina, Libya, Morocco, Syria, and Chile with import tariff rates varying between 10 per cent to 25 others and as high as 50 per cent in Algeria. The Central African Republic indicated an interest to participate in the first round of GSTP negotiations as far back as 1983 but did not submit its list of products of export interest. Available 1982 data reveals a similar situation to that of Burundi (coffe, pearl stones and wood). Coffee and veneer-plywood account for 1.4 per cent and 1.5 per cent respecitively of total world exports.

43. The trade creation aspect of GSTP is no doubt important. Furthermore, it is clear from the tables that some LDCs meet the selection criteria as in the case of Ethiopia, Somalia, Malawi and Sudan each with a number of products which meet the selection criteria. What these illustrative cases bring to the fore is the fact that the criteria for selecting products for negotiations ignore certain important factors in case of Africa. For instance that products for which countries are looking for markets are the ones that fail to gain access to the world markets. The inability of African products to qualify for the first round of GSTP negotiations is mainly due to their low production capacity and therefore accounting for unreliable supply.

44. The heterogeneous character of developing countries, members of G77, requires a selection criteria that take into account the levels of economic development of the respective countries. Many countries have export potential for a variety of products which by the virtue of their small economies cannot rank high in the world or G77 terms. It is therefore important that criteria for the selection be modified. The criteria adopted for the first round of negotiations only favour those products which already play an important role in the world markets. They exclude the bulk of products in which African countries seek market outlets. The selection criteria should be examined with a view to giving products from developing Africa a comparative advantage in the on-going concession seeking negotiations. Unless this can be done, it is very unlikely for most African countries to take advantage of the GSTP since many of them do not have the required production capacity that could enable them to participate effectively.

MECHANISMS AND STRATEGIES FOR GSTP NEGOTIATIONS: PROSPECTS AND LIMITATIONS

(a) Modalities for GSTP Negotiations

45. Although progress has been painfully slow, the ten year old effort towards expanding south-south trade through GSTP took on a reality note in 1987. One of the factors responsible for the slow pace in the early years was the difficulties encountered in finalizing and approving the techniques and modalities on which to base the negotiations. This is in spite of the fact that the broad guidelines and principles provided in the Arusha Action Plan which gave a general framework within which negotiations are to proceed. 13/ The principles and guidelines advocated not only a mere tariff concession but a comprehensive preferential trading system among G77 countries. A situation which presented a complex and difficult task when elaboration and redefination were attempted at subsequent numerous intergovernmental experts group meetings. Even as the negotiations took place, some of the disquitening uncertainties related to the principles and modalities still loomed high.

46. Pursuant to the rules and techniques, the GSTP is intended to ensure that preferential treatment benefit only products originating in the participating countries. This is important, for, at the Mexico meeting developing countries had sounded their concern regarding the possibility of benefits acruing to transnational corporations rather than participating developing states. 14/ It is believed that measures taken will discourage deceptive practices which otherwise create trade distorting effects and loss of the intended purposes.

47. With the approval of the draft GSTP Agreement at the Brasilia meeting in May 1986, much of the preparatory process for the negotiations had been set. However, the Agreement could not enter into force until after the conclusion of the First Round of Negotiation when participating countries will have exchanged concessions among themselves. Similarly when concessions will have been multilateralized and member states acceded to GSTP Agreement. Much of the current focus is the preparation by governments to actual exchange of concessions. 15/

13/ Proceedings of UNCTAD Fifth Session, Vol. 1, p. 132-133
14/ See TD/B.C./33., p. 1
15/ For further analysis see GSTP/MM/Brasilia/2/3, March 1986

48. Another important element of the GSTP was for the scheme to progressively interrelate with other measures in the fields of production, transportation, and marketing. In other words, facilitating the development of other sectors capable of ensuring growth and development through trade. As a result, the techniques and modalities for negotiations are to reflect the said objectives. The modalities relate to forms to be adopted in tariff preference reduction including issues relating to negotiating non-tariff preferences i.e. quotas, and licences. Also included are ground rules, rules on safeguards and balance of payments, rules on modification or withdrawal of concession.

49. While a considerable ground has been covered in redefining some concepts in negotiating mechanisms, a review of latter reveals that a number of Articles and draft provisions have not been finalized. 16/ The result of this is that negotiating parties worked on scanty and incomplete information. Furthermore, a closer look at the guidelines for the First Round of Negotiations adopted by the Brasilia meeting indicates that they entail complications particularly those relating to definations of several terms used and the rules of origin themselves. The rules of origin concept envisage GSTP benefits to be extended to goods wholly originating in a participating country. The benefits are also to accrue for those goods exported by a GSTP participant when the final product has a partial import content originating in a non-participants or is of undetermined origin. A point of concern here is the extent of permissible import content.

50. The simplicity of the rules of origin approach to products for negotiations has a series of implications. Products obtained in a participating state can mean products which are wholly owned by TNC. In this respect or perhaps a percentage share ownership by nationals or the state should have been used as a better guide. Rules 1, 2 and 3 give the impression that products are considered wholly produced in a participating state if they are extracted from its sea-bed, soil or waters. This represents a distortion of the economic realities.

51. This issue of rules of origin is crucial especially for the on-going negotiations. A preferential Arrangement without an agreed set of rule of origin allow non-participants to encroach on the benefits of the scheme by transiting their goods with slight modifications in a participating country, enabling them to acquire the benefits. Within this context, small states in Africa will only play a surrogate role and therefore not become beneficiaries of the GSTP since their products will compete with those "transiting through" in the same markets.

52. A further question of interest is the extent of cumulation allowed. It has already been agreed that there should be partial cumulation, namely that products that have acquired originating status in the territory of one GSTP participating country could be used as inputs for a finished product eligible for preferential treatment in the other territory. The percentage of aggregate content in the final free-on-board value calculation of the product that originates in one territory of the participating countries has yet to be decided.

16/ For more details, see A.E. Hamza, Guidebook for GSTP Geneva, January 1987.

53. Another unresolved problem in this area includes what special and more favourable percentage criteria to be used for LDC participants, both in respect of import content as well as cumulation. Similarly the definition of "vessels" and "factory ships" for fish products taken from the sea by such "vessels" or such products as are processed in "factory ships" that would be eligible for GSTP benefits. 17/ These issues of modalities for negotiations are very tricky and require involvement of not merely trade policy officials of governments but also customs and financial authorities.

54. Another crucial issue to effective negotiations is the differing approaches adopted by the participating countries towards transnational corporations (TNCs). A majority of African countries adopted a deliberate policy of promoting local participation in all aspects of their economies. In most African countries indigenization of ownership, management and control of business has become a major national aspiration and development strategy. In this respect these countries will be reluctant to accept rules of origin that favour TNCs based in other countries. In particular the ones assembling and packing inputs from TNCs home countries. In the southern African subregion for example, majority control of enterprises by nationals is a qualification for eligibility of the products for trade preferences within the Preferential Trade Area (PTA). But there are other countries which are wrapped up in a complex web of transnational control which would be reluctant to adopt more restrictive rules of origin that may jeopardize the activities of the TNCs in their economies. The negotiations taking place are beset with the dangers that mechanisms will essentially turn GSTP into a trading arrangement among developing countries that favours more developed of the developing countries in which TNCs provide the main driving force.

(b) Negotiations and applications of tariff preferences

55. The negotiating objectives and GSTP arrangements relating to tariffs mainly aim at establishing an effective margin of preference for mutual trade. But reviewed within the current trade perspectives, across the board tariff reductions applied equally to the whole range of products cannot ensure equitable treatment to all products. The effectiveness of an across the board tariff reduction depends on the existing tariff levels. African countries are mainly exporters of primary commodities, agricultural raw materials and minerals whose tariffs are already relatively low. Tariff cuts therefore will have little or no impact on their trade patterns because where tariffs are zero there can be no granting of preferences.

17/ Ibid, p. 152.

56. In the case of low tariff goods from Africa the percentage reduction will be insignificant to say the least and the effects may virtually be nil. On the contrary manufactures from the NICs that are subject to high tariffs, a considerable tariff cut or say 50 per cent could leave the absolute levels very high to render the preference margin effective. There is therefore no logic in the application of linear approach to tariff reductions. This is why in practice the approach places African States in a disadvantageous position since a 10 per cent tariff cut does not have the same effect on Kenyan manufactured exports as it would on manufactured exports from Brazil which is an NIC. Because of structural differences in trade between Africa and other developing countries, particularly the NICs, this approach is highly unbalanced in its effects on trade liberalization.

57. The disparities of tariff levels of a whole range of products, agricultural, manufacturers, processed, semi-processed affect concessionality of a given percentage tariff. Many countries in Asia, the Pacific region are industrializing rapidly with a resultant change in the structure of their output and exports. Their supply of industrial goods as well as agricultural commodities is more than their local demand. Therefore tariff reductions or elimination in the African countries will give undue advantage for their exports over those of African countries whose exports are not affected by tariff reduction. This is more so, because small enterprises of industrializing countries play a very important role not only in production but also in exports, marketing and transportation which is in direct contrast to African enterprises. Similarly the lack of adequate experience in management of commercially viable units militates against African economies.

58. The product-by-product approach put forward in the negotiating strategy is more of a bilaterl than a multilateral negotiation mechanism. It requires formidable negotiating capacities apart from being time consuming. Full details are required in order to determine the existing tariff levels of each product to which concessional cuts should be made. A majority of African countries use high tariffs to protect their infant industries. In such cases, even after tariff cuts, imports would still be effectively inhibited, and the granting of tariff preferences ineffective.

59. If African countries substantially liberalize their import regimes through the application of the across-the-board or through product-by-product tariff reductions, particularly of imports competing with domestic manufactures, little or no industrialization could result in Africa. Trade adjustment for further industrialization would be jeopardized by trade liberalization through tariff reductions. Instead, there would be wider differentials between Africa and the NICs in terms of manufacturing potential. By implication, therefore, the widening gap between NICs and non-NICs within G77 in overall manufacturing could result in Africa remaining an importer of manufactures and exporter of raw materials.

60. The structure of Africa's trade and competitiveness of individual countries' exports will hamper their ability to take advantage of benefits derived from tariff concessions. African countries will nonetheless be exposed to increased exports from stronger countries that are better able to take advantage of the concessions. The NICs, members of G77, with their diversified export structures and competitiveness, will take advantage of export opportunities arising from a reduction in tariff preferences. Therefore, the less developed African countries could find themselves having to face the cost of more expensive imports arising from the process of trade diversion without compensating improvements in their export earnings from sales to the rest of the regions.

61. Accordingly, the GSTP scheme should have a special programme to counteract tendencies of polarization between the more developed and less developed participants.

62. Despite some of these shortcomings, the establishment of a GSTP is likely to overcome a number of problems of economic and structural production capacity facing developing countries. Where preferences are negotiated and agreed on a product-by-product basis, they would stimulate the establishment of productive capacities in certain sectors of the economy. Consequently, the establishment of GSTP based on sectoral development could progressively transform the economic and trade structures from primary to semi-manufactued and manufactured goods of the countries concerned. Besides, geographical and production diversification coupled with the stable price system offered by the nature of manufactured goods to be traded, also would render developing countries less susceptible to the economic traumas which emanate in the developed countries.

63. In conclusion it can be reiterated that the task of trade liberalization through GSTP is made difficult by the emerging differences in the levels of economic development within the G77 itself. The G77 is no longer a homogeneous group of third world countries with identical problems. There are now three broad types of countries within it. The first group consists of countries which have been able to develop fast and are for all practical purposes developed industrial countries. The second group is made up of those who have made significant progress to the extent that their economies have reached a significant stage of development. The last group and by no means not least, are in majority and dominated by Africa. These are the ones who have not made much headway in their development process and for whom the impact of GSTP on their trade could be quite diverse.

64. It must be emphasized that trade liberalization must be more conciously integrated with other factors for the development of stronger GSTP. This is why emphasis must continue to be placed on linkages between tariff preferences and economic co-operation measures.

65. With the exception of few countries, tariffs account for over 50 per cent of government budget revenue in many African countries. Thus, given the African internal tax structures and poor corporation taxation, the concessions are likely to deprive a number of these African countries of their essential source of revenues. In this regard, the GSTP should look into ways of compensating African governments that are likely to loose revenue as a result of the removal or elimination of the tariffs.

(c) Negotiating non-tariff concessions

66. The concessions sought in respect of GSTP are also to be brought about through a reduction and or elimination of non-tariff barriers. The most commonly used forms of non-tariff barriers by developing and developed countries include quantitative restrictions, health restrictions and government participation in trade through preferential purchasing, restrictive practices, administrative import procedures, technical barriers to trade, quantitative restrictions and charges to imports requiring import deposits and credit restrictions. Concessions on non-tariff barriers are both in principle and practice difficult to negotiate because, there is a tremendous variety. They are substantially complex and consequent tenacity in character. They are also extremely difficult to quantify in trade terms and are in most cases embodied in a wide variety of domestic legislations and practices. Thus, member states may have to go out of their way to change their internal laws which are inconsistent with GSTP requirements on tariff, non-tariff and para-tariff barriers. Some non-tariff measures restrict trade more heavily than tariffs and plunge economic agents into a state of uncertainty in determining prices.

67. The majority of African countries rely heavily on non-tariff measures as trade control measures. The application of non-tariff barriers is mostly related to national production, balance of payments and to income distribution purposes. The susceptability of elimination of non-tariff barriers at the international negotiating table may prove very difficult because non-tariff trade mechanisms are incorporated in legal and political factors of the country.

68. In practice, non-tariff measures aim at establishing a particular volume of imports. By lowering the level of imports, their effects make them different from tariffs whose immediate impact is on the cost of imports. Non-tariff barriers also present definitional problems. In many other cases it becomes difficult to specify whether a countervailing duty is a non-tariff barrier and whether it is a preference for local products in government procurement policy especially when a non-tariff barrier aims at curbing trade. The same applies to quantitative restrictions of imported agricultural, mineral or industrial products. Similarly for governmental quotas on wheat, cotton and oil products, or even restraints imposed by exporting countries themselves.

69. Successful negotiations of concession on non-tariff barriers is a complex question. The variety and complexity of non-tariff barriers seriously limit the means that can be used to reduce or eliminate them. Experiences show that techniques employed hardly offer happy results, mostly because of the political and legal constraints. Governments are recalcitrant to run political hazard of changing laws.

70. The removal of these trade-barriers necessitates the adoption of supportive supplementary measures. For instance, the allocation of industries or/and investment ventures could result in the growth and trade through industrialization. In addition to tariff and non-tariff concessions, participating countries could accord each other prefe-
rential transport tariff rates on products forming part of GSTP system. Harmonization of monetary policies and the establishment of payments arrangements would go a long way in promoting mutual trade between G77 countries.

71. Differences in natural resources and factor endowments provide a basis for specialization as well as complementarity within the group. As investment and exploitation of enlarged markets are linked together through preferences, there is a strong incentive to create productive capacities that can replace imports from third party sources. In other words, imports from developed countries could easily be substituted if the regional markets could be geared toward trade preferences of the imports from the other developing countries. Except for the fact that the low level of industrialization, high tariff and non-tariff protection of the industrial sector in most African countries cannot be offset by reciprocal reduction of these trade barriers in order to increase the flow of trade between co-operating countries. Such practical actions could provide a sound industrial base capable of enabling developing country to compete internationally since resources and factors of production would be utilized more efficiently and according to existing comparative advantage. In addition to tariff and non-tariff concessions, countries participating in GSTP could accord each other preferential transport tariff rates on products which are part of GSTP system.

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

72. The critical economic situation facing African countries makes it urgent to diversify their trade. The Lagos Plan of Action and Africa's Priority Programme for Economic Recovery have urged diversification of trade with a view to making it an engine of economic development. In this regard, GSTP is a useful innovation and may prove appropriate albeit not necessarily a panacea to all ills in trade relations with non-traditional partners.

73. The foregoing analysis show that the negotiations are not based on dynamic trade relations between Africa on the one hand and Latin America and Asia on the other. Africa plays a rather insignificant role in the current interregion trade whose structure is mainly based on petroleum and a handful of minerals. The heavy reliance by the African region on primary commodity exports, in particular agricultural raw materials whose tariff rates are already low, offers Africa limited chance to benefit in trade creation through tariffs concessions.

74. It is in this regard that GSTP could be a tool in the quest for restructuring Africa's trade away from primary commodity exports and by addressing itself to other relating factors responsible for the low tune of trade relations. In pursuing trade preferences, it is important to note that trade is not only a means to achieving development but it is also a factor and as a factor, it has to interact with other factors. Of significant importance to GSTP is transport infrastructure. Lack of transportation facilities and particularly high transport costs, make trade for land-locked countries difficult to compete with those of coastal countries. The removal of tariffs for products from Niger, Burkina Faso, Chad, Zambia, Botswana to mention a few, may not add significantly to the effects of trade due to transport costs. Tariff concessions granted to trade of land-locked countries may be of little effect unless transport problems are also resolved.

75. An integrated programme encompassing the transport system is a prerequisite to a rapid expansion of interregional and intra-African trade. Reversing and diverting the transport system that African countries have inherited from the colonial past which was designed to move goods from the interior to the ports for overseas shipment is a task of great importance in the quest for increased intra- and inter-regional trade. Emperical evidence strongly suggests that as long as GSTP looks only into concessions rather than other factors such as production potentials, transport infrastructure, and finance, its long-term benefits are bound to be rather limited.

76. We have observed that selection of products for the First Round of Negotiations present a number of limitations in terms of selection criteria of exports of interest to non-LDC African countries. This is because, the criteria largely deal with exports already covered by world markets. Consequently for the GSTP to achieve its objectives, criteria for selection of products should accord special attention to circumstances of each of the participating countries and particularly the capacity of the least advantaged to make effective use of the scheme. It is equally relevant that the limitations presented by the inavailability of data covering the "offer list" in respect of products of export interest to other regions be re-examined. The supply and demand tables should not be limited only to Africa's products in order not to deny African countries the opportunity to evaluate the offers of other regions with a view to diversifying import sources.

77. The overriding concern is that the strategies for negotiations are incomplete and not set to meet the objectives of the GSTP. A number of issues of great importance to the success of the on-going negotiations are not given the attention they deserve. Because of the gaps, it is not clear to what extent the on-going negotiations may be successful.

78. In the light of the foregoing, and because of the complex nature of the negotiations, African countries which lack technical know-how in such a protracted type of negotiation and while negotiations of individual states cannot be discouraged, perhaps the existing Secretariats of subregional groupings may be viewed as better and capable bodies for the task.

79. The OAU Heads of State and government when adopting the Lagos Plan of Action committed themselves to setting up of an African Economic Community by the year 2000 through the establishment of regional structures and strengthening the existing ones as a first step in creating an African Common Market. The Lagos Plan of Action further called for harmonization of strategies and policies with regard to economic development and promotion of joint ventures in several sectors. The key element in these co-operative programmes is a better integration of resource endowment exploitation with a view to achieving fast and sustained rates of economic development. 18/

80. The significance of regional and subregional groupings is fully recognized by G77 which reiterated inter alia the strengthening of subregional and interregional economic co-operation as a strategy for overall development including the restructuring of the international economic relation as well as a key to the element of collective self-reliance. 19/ Thus, under the broad principles of GSTP, encouragement is given to subregional, regional and interregional groupings to participate fully in the scheme.

81. Most integration groupings have provisions in their treaties enabling member states to engage in negotiationson trade concessions with third parties as long as the concessions granted to third countries are not more favourable than those granted within the groupings. 20/

18/ Lagos Plan of Action for implementation of Monrovia Strategy for Economic Development of Africa, ECA, 1979.

19/ Arusha Programme of Collective Self-reliance and Framework for Negotiation, TD/236.

20/ For example, Art. 18 on MFN treatment and Art. 43 relations with other regional organizations of PTA; Art. 20 on MFN and Art. 59 relations with other associations and third countries of ECOWAS; and Art. 35(4) on MFN and Art. 86 relationships of member States with other groups and third states of ECCAS provides for the participating member states to enter into trade negotiations with third parties than those granted to member states.

In itself it is an expression of their readiness to participate in other preferential schemes outside their own, in their search for maximizing benefits from trade. These groupings have been recognized as bodies more capable of dealing with problems of transport, credit and financing trade within their subregions and can help pave the way for increased trade flows between regions, especially since the interest of LDCs is also taken account of at subregional levels. 21/

22. Most integration groupings recognize the complementarity of GSTP with their objectives. Consequently, they can play a significant role and contribute to the effectiveness of GSTP by:

(a) Sharing the experiences gained in the workings of their own preferential schemes as well as passing experience on the measures taken to counteract problems in their schemes;

(b) Increasing the effectiveness of LDC's participation in the GSTP negotiations carried out under the umbrella of integration groupings;

(c) Fully utilizing the resources and legal competence which the integration groupings have at their disposal to seek better concessions for the entire grouping within the GSTP offers.

21/ For details, see TD/B/C.7/46, 3 June 1981.

Supply, demand, and conditions of access to markets of G77 countries within the context of GSTP negotiations

Symbols used.

N.I. No information

* Preference of Asean products

Sources: UNCTAD/ECDC/MISC 30, March 1986

UNCTAD computes print-outs on CCCN items November 1986.

Supply, demand and conditions of access to markets of G77 countries within the context of GSTP negotiations

Country	Products of Export Interest	Exports to the world %	Rank among world exports	Exports to G77 %	Rank among the G77 exports	Major G77 Markets	Imports %	Rates: Tariff Charges %	Rates: Other Charges %	Other prospective markets	Rates: Tariff Charges %	Rates: Other Charges %
Cameroon	Cocoa Beans Raw, roasted	6.0	5	-	-	Singapore	38.2	0.00	0.00			
						Philippines*	18.5	20-30	10.00			
						Yugoslovia	17.1	0-5	3-84			
						Peru	7.6	60.00	1-20			
						Indonesia*	4.0	10-20	2.5			
						Argentina	3.5	14-27	2-18			
						Columbia	3.1	15-20	1-30			
						Egypt	1.8	15.00	1-10			
						Korea	1.5	20-30	2-40			
						Tunisia	1.1	19.00	0.5-1			
	Palm oil	0.4	7	-	-	India	38.4	N.I				
						Pakistan	26.9	70.00	1-5	Ghana	30.00	7-10
						Korea	9.3	10-30	2-10	Malysia	0.00	0.00
						Kenya	7.7	N.I	N.I	Morocco	10-40	6-30
						Bangladasia	7.6	50.00	2-2.5	Nicaragua	35.00	2-30
						Singapore	1.6	0.00	0.00	Saudi	0.00	0-10
						Philippines*	0.9	20-25	10.00	Syria	20-35	15.00
						Thailand	0.9	2.00	1-10	Egypt	15.00	0-10
						Jordan	0.8	N.I	N.I	Peru	60.00	0-20
						Senegal	0.7	10-35	1-20			
	Coffee, green husks	-	-	-	-	Algeria	21.1	0-25	1-5	Egypt	0.00	0-77
						Argentina	16.2	10-14	5-18	Yugoslavia	0-5	3-84
						Yugoslavia	14.2					
						Singapore	11.8	0.00	0.00			
						Saudi	10.8	0.00	0-10			
						Korea	4.5	15-60	2-40			
						Morocco	3.7	20-45	5-10			
						Libya	2.4	15.00	5.00			
						Syria	2.1	1-25	15.00			
						Chile	2.1	35.00	3-20			

N.I. No information available
* Preference of ASEAN products.

(Cont'd)

Country	Products of Export Interest	Exports to the world %	Rank among world exports	Exports to G77 %	Rank among the G77 exports	Major G77 Markets	Imports %	Rates: Tariff Charges %	Rates: Other Charges %	Other prospective markets	Rates: Tariff Charges %	Rates: Other Charges %
Ethiopia	Coffe green husk	3.1	8	5.2	8	Algeria	19.8	0-25	1-50	Egypt	0.00	1-77
						Argentina	15.2	10.15	1-18			
						Yugoslavia	13.3	0-5	3-84			
						Singapore	11.8	0.00	0.00			
						Saudi	11.3	0.0	1-10			
						Korea	4.5	15-60	3-60			
						Morocco	3.7	20-45	6-30			
						Libya	2.4	15.00	5.00			
						Syria	2.4	1-25	16.00			
						Chile	2.1	35.00	3-25			
	Sheep skin	45.5	1	24.2	1	Argentina	0.5	12.0	5-18			
						Yugoslavia	33.8	0.00	3-84			
						Algeria	23.6	3.00	5-50			
						Brazil	20.4	45.00	3-30			
						Syria	11.0	1.00	2-18			
						Uruguay	6.5	10.00	2-20			
						Tunisia	1.1	14.00	0.5-1			
						Mexico	0.7	10.00	3-100			
						Korea	0.6	N.I	N.I			
						Dominican	0.5	N.I	N.I			
	Bovine equine	11.8		15.4		Egypt						
						Chile						
						Elsavado						
						Mexico						
						Peru						
	Calf and kid skins raw	25.2	2	51.7	1	Algeria	29.1					
						Venezuela	28.1					
						Syria	16.7					
						India	9.0					
						Pakistan	4.5					
						Mexico	3.4					
						Chile	2.0					
						Yugoslavia	1.3					
						Morocco	1.2					
						Egypt	1.0					

(cont'd)

Country	Products of Export Interest	Exports to the world %	Rank among world exports	Exports to G77 %	Rank among G77 exports	Major G77 Markets	Imports %	Rates: Tariff Charges %	Rates: Other Charges %	Other prospective markets	Rates: Tariff Charges %	Rates: Other Charges %
Kenya	tea	11.3	3	6.1	5	Pakistan	20.5	20-100	1-5			
						Egypt	16.1	50.00	0.2-10	Singapore	0	
						Saudi	10.8	0.00	0.00			
						Marocco	6.4	25-40	6-30			
						Sudan*	5.9	30.0	.05-2			
						Algeria	4.8	3-25	5-50			
						Syria	3.9	1-15	14.00			
						UAEM	3.4	0.00	0.00			
						Chile	3.1	35.00	3-20			
						Mali	2.9	N.I	N.I			
	Mineral substances	44.8	1	64.6	1	Korea	17.1	10.00	2-10	Mexico	5-10	3-20
						Argentina	15.1	10-38	1-18	Sauli	0-4	0.3-10
						Philippines	13.7	20.00	10.00			
						Malysia	7.9	0-5	0.00	Yugoslavia	0.00	0.00
						Thailand	7.1	10.00	10.00			
						Columbia	4.4	15.00	1-30			
						Singapore	3.8	0.00	0.00			
						Brune	3.3	N.I	N.I			
						Brazil	3.0	20-70	9-30			
						Trindad	3.0	0.00	0.00			
	Bovine, equine hides raw	12.8	3	9.4	5	Egypt	21.6	0.00	1-5	Algeria	3.00	5-50
						Yugoslavia	18.9	0.00	3-84	Philippines	10-20	
						Chile	15.8			Thailand	3.00	10.00
						Peru	10.2	5.00	1-20			
						Pakistan	7.2	0.00	1-5			
						Mexico	5.4	0.00	3-20			
						Elsavado	2.9	N.I	N.I			
						Costarico	2.3	5.00	10-300			
						Tunis	2.3	7.5	0.5-1			
						Korea	2.1	10.00	2-100			

* Preference to Egypt products
NI No Information

(cont'd)

country	Products of export interest	Exports to the world %	Rank among world exports	Exports to G77 %	Rank among the G77 exports	Major G77 Markets	Imports %	Rates: Tariff Charges %	Rates: Other Charges %	Other prospective markets	Rates: Tariff Charges %	Rates: Other Charges %
Malawi	Fish	-	-	5.1	7	Singapore	36.4	5.00	10.00	Brazil	55	3-5
						Srilanca	19.2			Dominica Rep.	N.I	N.I
						Malysia	12.1					
						Saudi	7.5	0.00	3-10	Jamaica	10.00	N.I
						Zaire	2.6	0-3	1-20	Nigeria	40.00	5.00
						Egypt	2.4	25.0	10-30	Trindad	10-00	0.00
						Congo	2.3	0-15	10.2			
						Brunei	2.0	N.I	N.I			
						Mauritius	1.9					
						Zambia	1.7					
	tea	2.9	6	0.7	9	Pakistan	28.8	20-100	1-5	Algeria	3.25	5-50
						Egypt	20.4	50.00	3-15	Morocco	25-40	6-10
						Saudi	10.4	0.00	1-10			
						Sudan	7.7	30.00	1-2			
						Syria	5.7	1-15	1-14			
						Chile	4.3	35.00	3-20			
						UAEM	2.7	0.00	0.00			
						Singapore	2.3	0.00	0.00			
						Kuuait	2.2	0.00	0.00			
						Kenya	2.0	N.I	N.I			
	Rice in husk	3.5	7	3.6	7	Brazil	26.1	45-55	15-30	Korea	5.00	2.5
						UAEM	14.0	0.00	0.00			
						Syria	12.7	1-15	6-14			
						Srilanka	12.0	25.00	4-10			
						India	8.8	N.I	N.I			
						Qatar	3.1	4.0	0.00			
						Togo	2.8	N.I	N.I			
						Somalia	2.3	8.00	2-10			
						Jordan	2.1	N.I	N.I			
						Yemen	2.1	N.I	N.I			

(cont'd)

Country	Products of export interest	Exporter to the world %	Rank among world exports	Exports to G77 %	Rank among the G77 exports	Major G77 markets	Imports %	Rates: Tariff Charges %	Rates: Other Charges %	Other prospective markets	Rates: Tariff Charges %	Rates: Other Charges %
	Tobacco	8.0	4	11.1	3	Algeria	19.0	10.00	5.50	Chile	35.00	3-20
						Egypt	18.9	61.00	3-10	Thailand	35-60	1-10
						Morocco	5.3	N.I	N.I	Philippines	30-50	10.00
						Jordan	5.1			Yugoslavia	15.00	6-84
						Saudi	4.4	1.00	3-10			
						Tunis	4.3	115.5	0.5-1			
						Singapore	4.1	36.00	0.00			
						Cyprus	3.3	1-5	0.00			
						Cote d'Ivoire	2.9	20-60	1-24			
						Uruguay	2.6	10.00	2-20			

N.I - No Information

Supply, demand and conditions of access to markets of G77 countries within the GSTP negotiations

Country	Products of Export Interest	Exports to the world %	Rank among world Exports	Exports to G.77 %	Rank among the G.77 exports	Major G.77 Markets	Imports %	Rates: Tariff Charges	Rates: Other Charges %	Other prospective markets	Rates: Tariff Charges %	Rates: Other Charges %
Senegal	Groundnut oil	18.7	2	5.1	3	Venezuela	38.6	20.00	3.5	Gabon	N.I.	N.I.
						Malysia	14.1	30-88	5.00	Madagascar	N.I.	N.I.
						Brunei	13.7	N.I.	N.I.			
						Niger	10.4	N.I.	N.I.			
						Nigeria	4.2	0-30	5.00			
						Singapore	3.0	0.00	0.00			
						Benin	3.0	20.00	5.00			
						Saudi	1.8	0.00	0-30			
						Ghana	1.8					
						Egypt	1.4	0.00	1-10			
	Nat Cukium Phosphates	6.2	4	3.8	5	Yugoslavia	41.1	0.00	3-84	Colombia	5.00	1-30
						India	26.6	N.I.	N.I.	Korea	5.00	2-10
						Mexico	9.2	0-40	2-20			
						Indonesia	7.2	0.00	2.5			
						Pakistan	5.3	0-40	1-5			
						Bangladesh	3.8	0-50	2-2.50			
						Malysia	1.8	0-2	0.00			
						Tanzania	1.0	15.00	30.00			
						Brazil	1.0	0-30	9-30			
						Philippines	0.9	10-25	1-5			
	Natural Potassic salts	2.4	3	2.4	3	Haiti	36.4			Algeria	0.00	0-5.5
						Malysia	32.7			Bangladesh	0-50	0-2
						Uruguay	11.1			Brunei	N.I.	N.I.
						Ghana	4.0			Cameroon	N.I.	N.I.
						Ecuador	3.9			Dominica	N.I.	N.I.
						Saint Lusia	3.2					
						Korea	2.8					
						Saudi	2.2					
						Chile	1.1	35.00	3-20			
	Fish fillets fresh, chilled	3.1	8	8.1	4	Côte d'Ivoire	18.3	0-30	0-1	Egypt	0.00	0-3
						Saudi	12.0	0.00	0-10	Korea	20.00	0-2.5
						Malysia	10.4	0.00	0.00	Nigeria	0-20	5.00
						Kuwait	9.8	0.00	0.00	Niger	0.00	0.00
						Singapor	9.7	0.00	0.00	Yugoslavia	0-15	3-84
						Brazil	9.1	55.00	9-30			
						Thailand	4.8					
						Ghana	4.4	30.00	10.00			
						Argentina	3.6	25.00	1-18			
						Algeria	2.1	0.00	1-50			

N.I. No information

Supply, demand and conditions of access to markets of G77 countries within the context of GSTP negotiations

Country	Products of Export Interest	Exports to the world %	Rank among world Exports	Exports to G.77 %	Rank among the G.77 exports	Major G.77 Markets	Import %	Rates: Tariff Charges %	Rates: Other Charges %	Other prospective markets	Rates: Tariff Charges %	Rates: Other Charges %
Somalia	Bovine, live for breeding	8.5	4	20.3	2	Saudi	36.5	0.00	0.3-10	Egypt	0.00	0.2-3
						Libya	11.5	0.00	0.00			
						Kuwait	11.4	0.00	0.00	Indonesia	20-50	2.5
						Niger	6.3	N.I.	N.I.			
						Yemen	6.0	N.I.	N.I.	Korea	0-20	2.5-10
						Brazil	5.7	0-15	3-30	Malysia	0.00	0.00
						Argentina	4.0	10-21	5-18	Mexico	0.00	3-20
						Liberia	3.1	N.I.	[illegible]	Morocco	10.00	6-30
						Ecuador	1.5	0.00	1-30	Tunis	7.5	0.5
						Chile	1.1	35.00	3-20			
	Live animals for food	42.2	1	64.6	1	Egypt	64.7	0.00	0-50	Argentina	21.00	5.18
						Saudi	15.9	0.00	0.3-10	Korea	20.00	2.5
						Nigeria	13.2	0-15	5.00	Malysia	5.00	N.I.
						Libya	4.4	50.00	5.00	Tunisia	7-53	1.00
						Singapore	0.8	0.00	0.00			
						India	0.5	N.I.	N.I.			
						Qata	0.2	4.00	0.00			
						Yugoslavia	0.1	5.00	3-84			
	Goat and Kid skins raw	2.2	10	4.0	7	Algeria	29.1					
						Venezuela	28.1					
						Syria	16.7					
						India	9.0					
						Pakistan	4.5					
						Mexico	3.4					
						Chile	2.0					
						Yugoslavia	1.3					
						Morocco	1.2					
						Egypt	1.0					

Supply, demand and conditions of access to markets of G77 countries within the context of GSTP negotiations

Country	Products of Export Interest	Exports to the world %	Rank among world Exports	Exports to G.77 %	Rank among the G.77 exports	Major G.77 Markets	Imports %	Rates: Tariff Charges %	Rates: Other Charges %	Other prospective markets	Rates: Tariff Charges %	Rates: Other Charges %
Sudan	Bovine, equine hides, raw	4.1	7	19.8	1	Egypt	21.6	0.00	1-5	Algeria	3.00	1-5
						Yugoslavia	18.9	0.00	3-84	Philippines	10-20	10.00
						Chile	15.8	35.00	3-20			
						Peru	10.2	5.00	0-17			
						Pakistan	7.2	0.00	1-5			
						Mexico	5.4	0.00	3-20			
						El Savado	2.9	N.I.	N.I.			
						Costa Rica	2.3	5.00	10-30			
						Tunisia	2.3	7.50	0-1			
						Korea*	2.1	10.00	2-100			
	Sesame seeds	18.6	2	48.3	1	Saudi	17.2	0.00	0-10	Algeria	0.00	1-50
						Venezuela	12.4	10-15	3.50	Bangladesh	40.00	0-2.5
						Singapor	11.5	0.00	0.00	Malysia	0-5	0.00
						Jordan	10.1	N.I.	N.I.	Mexico	0.00	3-20
						Syria	8.5	1.00	6.00	Yugoslavia	5.00	3-84
						Korea	6.9	40.00	0-2.5			
						Tunisia	5.5	21.00	0-1			
						Malysia*	4.3	0-5	0.00			
						Yemen	3.8	N.I.	N.I.			
						Pakistan	3.7	40.00	1-5			
	Natural gums, resins lacs	35.4	1	12.0	4	Saudi Ar.	17.1	4.00	0-10	Mexico	10-20	3-20
						Singapore	13.7	0.00	0.00	Philippines	20.00	10.00
						India	13.0	N.I.	N.I.			
						Yugoslavia	6.8	0.00	3-84			
						Malysia	6.1	0-3	0.00			
						Tunisia	5.4	8-17	0-10			
						Indonesia*	5.1	10-25	2.50			
						Yemen	3.9	N.I.	N.I.			
						Egypt	3.8	5-25	0-50			
						Brazil	3.2	15-50	9-30			

* Preference to ASEAN Products

<u>Supply, demand and conditions of access to markets of G77 countries within the GSTP negotiations</u>

untry	Products of Export Interest	Exports to the world %	Rank among world Exports	Exports to G.77 %	Rank among G.77 exports e	Major G.77 Markets	Imports %	Rates: Tariff Charges %	Rates: Other Charges %	Other prospective markets	Rates: Tariff Charges %	Rates: Other Charges %
aire	Vegetable saps and extracts	10.4	3	None	None	Singapore*	30.2	0.00	0.00	Argentina	10-34	5-18
		10.4				Malysia*	15.6	0-5	None	Brazil	17-55	9-30
					Saudi	Saudi	12.8	4-20	0-10	Columbia	25-58	1-30
						Thailand	10.8	0-33	1-10	Egypt	5-100	3-10
						Korea	9.0	20-50	2-10	Philippines	10-20	10
						Mexico	6.2	10.00	2-20	Venezuela	5-25	3.5
						Indonesia	1.6	10-25	2-10			
						Niger	1.3	N.I.	N.I.			
						Brazil	1.1	N.I.	N.I.			
						Uruguay	1.0	10-55	2-20			
	Base matals unwrought	39.9	2	18.1	2	Korea	24.7					
						India	17.4					
						Yugoslavia	15.6					
						Brazil	13.3					
						Zambia	9.8					
						Gabon	3.1					
						Argentina	2.8	10-38	2-18			
						Columbia	2.7					
						Uruguay	2.2					
	Zinc alloys unwrought	5.1	5	1.3	8	India	25.1					
						Columbia	15.7					
						Yugoslavia	11.6					
						Brazil	7.2	30.00	9-30			
						Venezuela	7.1					
						Thailand	4.3					
						Chile	3.0					
						Kenya	2.7					
						Pakistan	2.5					
	Plants used in perfumery	3.4	8	None	None	Somalia	31.4	4-25	2-5		2-30	1-10
						Saudi	18.0	4.00	0-10		5.00	3-84
						Pakistan	12.0	60-100	2-20			
						Singapore	9.9	0.00	0.00			
						Korea	6.7	20.00	2.5			
					P.ASEAN	Malysia*	5.3	5-35	0.00			
						Egypt	3.0	5-15	0-10			
						Kuwait	2.1	4.00	0.00			
						India	1.8	N.I.	N.I.			
						Syria	1.2					

* Preference to ASEAN products

Supply, demand and conditions of access to markets of G77 countries within the GSTP negotiations

Country	Products of Export Interest	Exports of the world %	Rank among world Exports	Exports to G.77 %	Rank among the G.77 exports	Major G.77 Markets	Imports %	Rates: Tariff Charges %	Rates: Other Charges %	Other prospective markets	Rates: Tariff Charges %	Rates: Other Charges %
Zimbabwe	Pig; cast iron and spiegels					Argentina	33.8	18-34				
						Yugoslavia	14.4	3-84				
						Jordan	13.1					
						Pakistan	7.7					
						India	7.1					
						Indonesia	6.9					
						Egypt	6.6					
						Saudi	11.6					
						Bang	1.4					
						Korea	1.2					
	Tobacco unmanu-factured	-	-	-	-	Algeria	19.0	10	5-50	Chile	35	20-25
						Egypt	18.9	61.00	3-30			
						Morocco	5.3					
						Jordan	5.1					
						Saudi	4.4					
						Tunis	4.3					
						Singapore	4.1					
						Cyprus	3.3	0-15	-			
						Cote d'Ivoire	2.9	20-60	0-24			
						Uruguay	2.6					
	Nickel alley	-	-	-	-	Thailand	57.5					
						Malysia	36.1					
						Argentina	4.3	10.00	5-18			
						Chile	1.7					
						Indonesia	0.2					