

**MINISTERIAL MEETING ON
GLOBAL SYSTEM OF TRADE PREFERENCES**

NEW DELHI, July 1985

DECLARATION
ON
GLOBAL SYSTEM OF TRADE PREFERENCES

The Ministers of developing countries members of the Group of 77 who have indicated their interest in participating in the negotiations on a Global System of Trade Preferences (GSTP) met at New Delhi on July 25-26 at the invitation of the Government of India to review the progress and to make necessary decision to give fresh impetus to the negotiation. Ministers of other countries members of the Group of 77 were also invited to the meeting to take part in the deliberations. The Ministers present at New Delhi adopted the following declaration.

1. The Ministers reaffirmed their commitment to the Arusha Programme of Collective Self-Reliance of February 1979 and the Declaration on GSTP adopted by the Ministers of Foreign Affairs at the meeting of the Group of 77 in New York in October 1982.
2. The Ministers noted with a great sense of satisfaction that trade among developing countries was a dynamic element in their development. This dynamism is reflecting in the growing diversity of export capacity of many developing countries resulting in the enhanced complementarity of their economies. The Ministers, however, viewed with deep concern the present world economic situation characterised by increasing imbalance and asymmetry, the serious erosion of the multilateral trading system, the worsening terms of trade for developing countries, the mounting debt burden, the rising tide of protectionism in the developed country markets and the continuing stalemate in the North-South negotiations. In this context, the Ministers emphasised that the establishment of GSTP should be accorded high priority as a major instrument of South-South co-operation, for the promotion of collective self-reliance as well as for the strengthening of world trade as a whole.
3. The Ministers expressed satisfaction over the fact that a large number of countries members of the Group of 77 have signified intention to participate in the GSTP negotiations. GSTP is open for developing countries members of the Group of 77 to join at any stage and the Ministers hoped that more members would join the GSTP in the near future.
4. The Ministers recognised the importance of technical assistance to the developing countries members of the Group of 77 to enable their participation in the GSTP negotiations. They welcomed the UNDP/UNCTAD/G-77 project and stressed the need for its immediate implementation to facilitate the GSTP negotiations. They requested the UNCTAD Secretariat to render all possible assistance in this regard.

5. The Ministers were gratified to note that considerable preparatory work was done in Geneva in 1984. They also noted with appreciation the report of the Senior Official Meeting held in New Delhi from 22-24 July, 1985. In particular, they recognised the positive outcome of that meeting concerning the elaboration of the ground-rules relating to (i) rules for the extension of negotiated concessions, (ii) modification or withdrawal of concessions, (iii) rules of origin for the GSTP, (iv) rules of safeguard and balance of payment measures for the GSTP, (v) procedures for the provisions of special treatment for the Least Developed Countries, (vi) procedures relating to the negotiations of long-term contracts among interested participants in the GSTP and (vii) new entrants.

6. The Ministers recognised the urgent need for the establishment of an overall legal framework within which the ground-rules will be incorporated. Such a framework would provide the necessary legal foundation for mutually beneficial trade expansion among developing countries on a continuing basis. They agreed that, as a first step in this process, the Negotiating Committee should elaborate such legal framework by 31 October 1985.

General Approaches to the Negotiations

7. The Ministers considered the various negotiating approaches enumerated in the Declaration of the Ministerial Meeting of the Group of 77 held in New York in October 1982. Subject to the guidelines and principles contained in that Declaration as well as in the Arusha Programme for Collective Self-Reliance and recalling that the participants would indicate their wishes in respect to the negotiating approaches that they may wish to follow, they agreed that the Negotiating Committee should consider in addition to the traditional product by product approach the following complementary elements for the elaboration of techniques and modalities for the first round of GSTP negotiations:

- (i) An across-the-board tariff reduction through a preference margin of up to 10 per cent.
- (ii) The removal or reduction of the non-tariff and para-tariff barriers including an undertaking by participating countries not to raise new non-tariff barriers, or intensify the existing ones, in respect of product on which tariff concessions have been negotiated, except in accordance with agreed procedures.
- (iii) In selecting sectors for an integrated treatment in regard to the totality of tariff, non-tariff and para-tariff barriers, the sectors of significant socio-economic importance to the participating countries, such as processed tropical products, non-textile handicrafts, textiles, and agricultural products, would need special attention in this context.
- (iv) Product consultation should be organised to promote trade and development through a greater degree of processing, distribution and marketing among developing countries. For this purpose, modalities of long-term contracts, joint ventures, joint initiatives in marketing etc, should be explored, having regard to the work being done in international organisation and commodity agreements.

Time-table for the Negotiations

8. In the light of the progress achieved so far and with a view to accelerating the future work, the Ministers agreed that the Negotiating Committee should ensure the observance of the following time-table:

- (i) elaboration by the Negotiating Committee of a "Framework Agreement" by 31 October 1985, which shall incorporate the ground-rules;
- (ii) elaboration by the Negotiating Committee of "techniques and modalities" for the first round of negotiations by 31 December, 1985;
- (iii) drawing up by the Negotiating Committee of a "Negotiating Plan" by 28 February 1986.

9. The Ministers agreed that the preparatory phase for the setting up of the GSTP should be concluded with the approval by Government of the Framework Agreement, as well as techniques and modalities and a negotiating plan for the first round of negotiations.

10. The Ministers agreed that the first round of negotiations among participants should commence not later than 1 May, 1986 and be concluded not later than 1 May, 1987. The results of the first round will be incorporated in a Protocol to be annexed to the Framework Agreement.

11. The Ministers took note that the Framework Agreement would become effective with its acceptance by States which shall have exchanged concessions in the first round of negotiations in accordance with procedures to be agreed upon in the framework agreement.

12. The Ministers recognised that, until the launching of the negotiations, the participating countries should endeavour to adopt measures in order to facilitate their mutual trade.

13. The Ministers agreed to hold other meetings, as appropriate, in order to carry out periodic reviews, at the political level, to monitor and evaluate progress in all matters relating to the GSTP and to provide necessary direction in this regard.