

GLOSSARY OF TRADE AND RELATED TERMS

Generalized System of Preferences (GSP)	A concept developed within UNCTAD to encourage the expansion of manufactured and semi-manufactured exports from developing countries by making goods more competitive in developed country markets through tariff preferences. The GSP reflects international agreement, negotiated at UNCTAD II in New Delhi in 1968, that a temporary and non-reciprocal grant of preferences by developed countries to developing countries would be equitable and, in the long term, mutually beneficial.
GNP	Gross National Product.
Government Procurement	The term refers to purchases of goods and services by official government agencies. As a non-tariff barrier to trade, it refers to discriminatory purchases from domestic suppliers, even when imported goods are more competitive. (See also Buy-National).
Graduation	A concept pertaining to developing countries, whereby as they advance economically and become more developed, they assume greater responsibilities and obligations within the international trading system. This term also applies to the Generalized System of Preferences, whereby certain more advanced developing countries may be removed or "graduated" from eligibility on individual GSP eligible products.
Grandfather Clause	A GATT provision that allowed the original contracting parties to accept general GATT obligations despite the fact that some existing domestic legislation was otherwise inconsistent with GATT provisions. (See Residual Restrictions). More generally, any clause in an agreement which provides that certain existing programs, practices and policies are exempt from an obligation.
Harmonized System	See Customs Harmonization.