



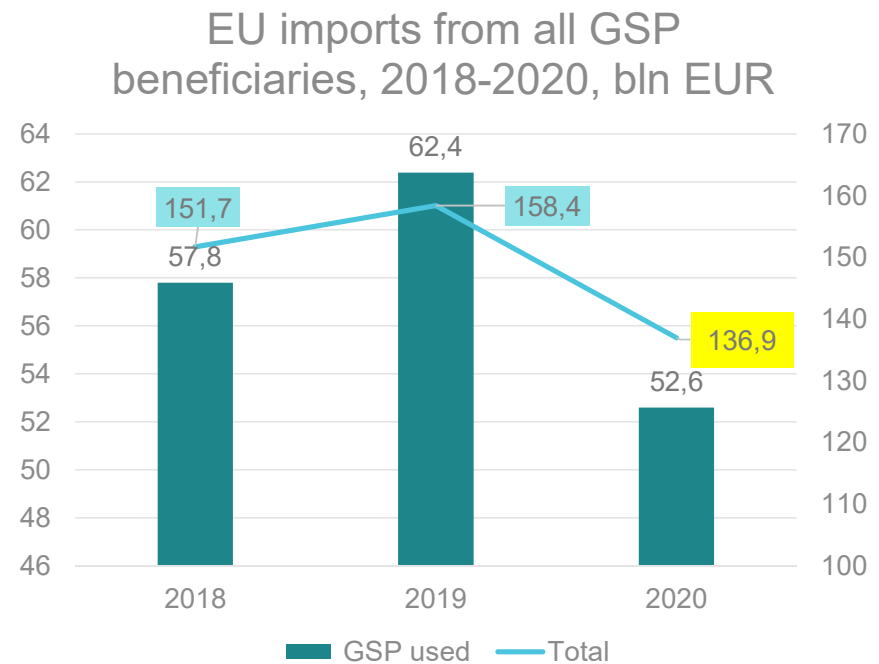
# Review of the EU Generalised Scheme of Preferences (GSP)

Market Advisory Council  
25 January 2022

*This presentation is not a legal document and has been prepared exclusively for information purposes. This should not be used by any party as a basis for any decisions with legal implications.*

# What is the GSP?

- ✓ The system of preferential trading arrangements through which the EU extends unilaterally to developing countries preferential access to its market; in place since 1971
- ✓ Its origin goes back to the 1968 UNCTAD recommendation for a '*Generalised System of Tariff Preferences*' under which developed countries would grant trade preferences to all developing countries

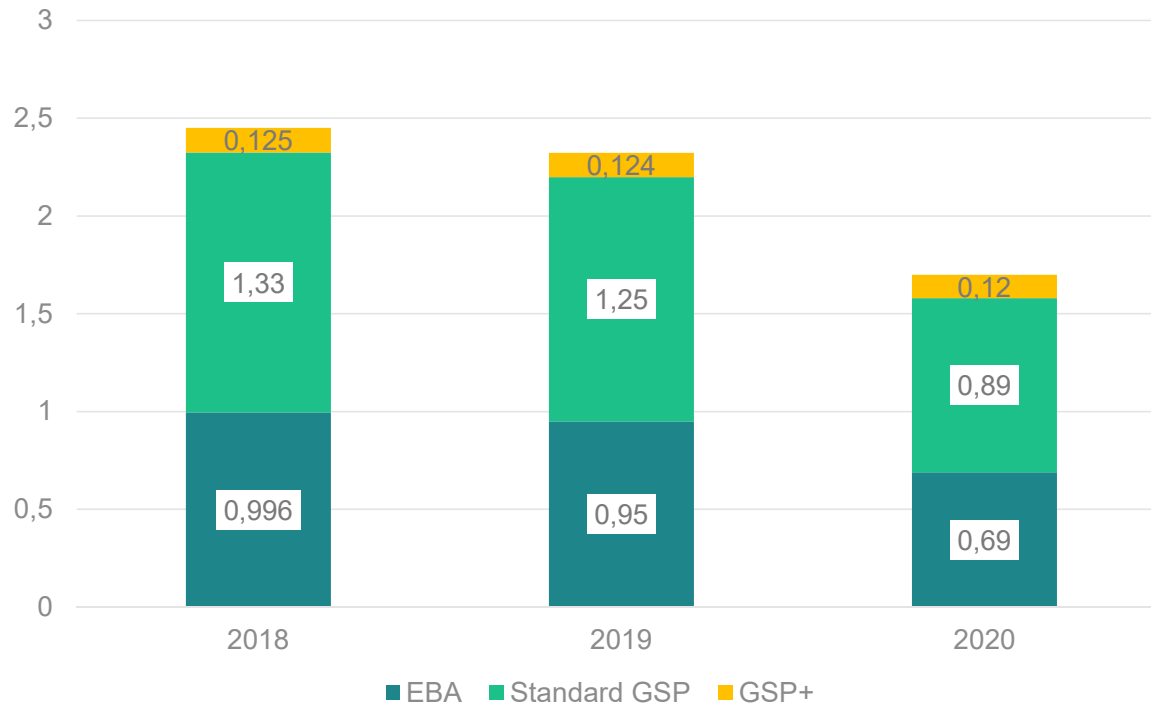


Source: EUROSTAT - COMEXT

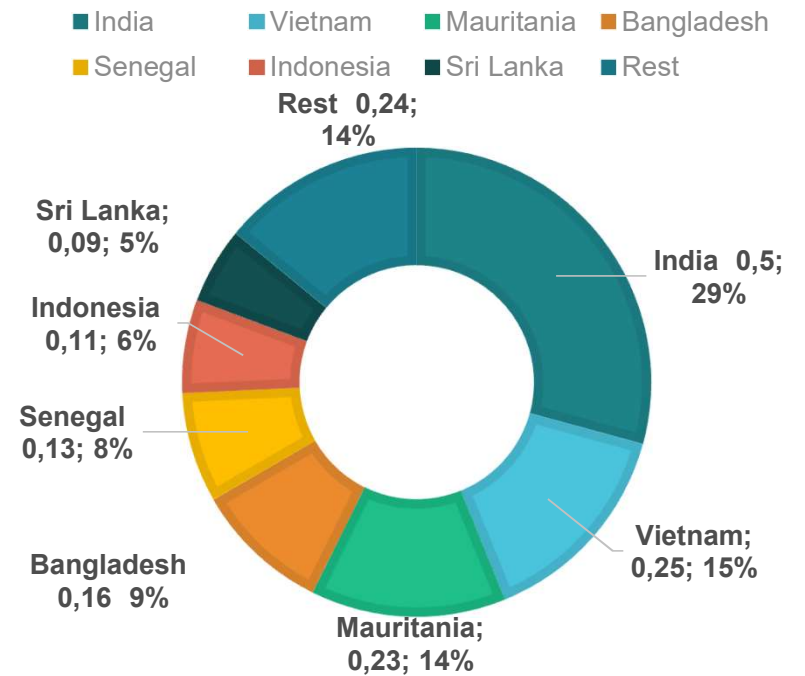
# GSP Beneficiaries 2022

- The EU offers three GSP arrangements **66 countries**:
  - EBA (Everything But Arms) for (LDCs) which benefit from duty-free (0% duties), quota-free access; **48 beneficiaries**
  - Standard GSP for low and lower-middle income countries which are granted a partial or full removal of customs duties on two thirds of tariff lines; **10 beneficiaries**
  - GSP+, which slashes tariffs to 0% for the same tariff lines as in the case of Standard GSP for Standard GSP beneficiaries which accept additional sustainability requirements (it is based on application); **8 beneficiaries**

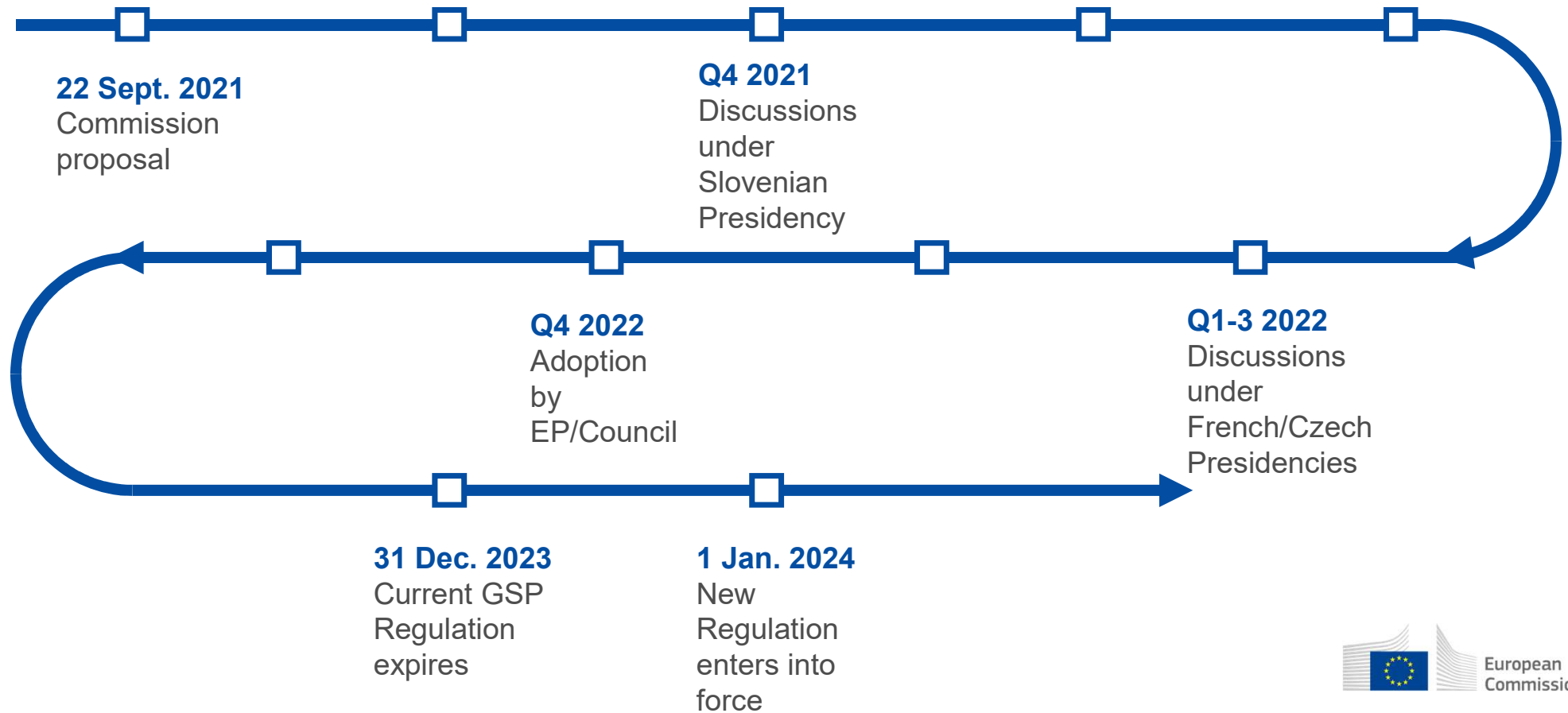
## GSP S-01B IMPORTS PER REGIME, 2018-2020, BLN EUR



## TOP BENEFICIARIES, S-01B GSP IMPORTS, 2020, BLN EUR



# GSP Review tentative Timeline



# GSP Review | objectives and issues

## Poverty eradication

- Growing number of LDCs expected to graduate from EBA
- Up-to-date country and product list



## Avert harm to EU industry

- Examine safeguard mechanisms

## Sustainable development

- Reflect European Green Deal priorities
- Improve the withdrawal procedure, monitoring and transparency

## Targeted changes for a modernised, predictable GSP



*There is compelling evidence that the GSP framework is **successful** in delivering on its main development and sustainability objectives. Therefore, the proposal for a new GSP Regulation provides **continuity** and maintains the essential features of the scheme. We aim to **fine-tune** the way the GSP works and improve its efficiency and effectiveness to respond to future challenges.*

# GSP Review | Thematic Clusters

## Arrangements and countries

- Same 3-tier structure
- Adjusted vulnerability criteria for GSP+ to ensure LDCs access
- Revised eligible country list

## Safeguards

- Safeguard mechanisms stay as exceptional measures
- Modified calculation base for import surges (value not volume)
- Aligned with product graduation

## Transparency and monitoring

- 3 years GSP+ monitoring cycle
- based on wide range of sources

## Products

- Generous product coverage
- Adjusted product graduation thresholds
- Rules of origin/Cumulation provision

## Conditionality

- Updated list of conventions
- Extended negative conditionality
- Transition period for GSP+ reapplication
- More flexible withdrawal
- Withdrawal factors in socio-economic assessment





# Thank you



© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

Slide xx: [element concerned](#), source: e.g. [Fotolia.com](#); Slide xx: [element concerned](#), source: e.g. [iStock.com](#)

