

The EC Special Incentive Arrangement for Sustainable Development and Good Governance (GSP+) 2009-2011 - Brussels, 9 December 2008

The GSP+ scheme

The primary objective of the GSP is to contribute to the promotion of sustainable development and good governance. The additional preferences available under the GSP+ arrangement act as an incentive to vulnerable Developing Countries to ratify and effectively implement a set of key international conventions. These represent widely recognised international standards in the fields of human rights, core labour standards, sustainable development and good governance. The tariff preferences – which take the form of a duty-free access in the otherwise applicable standard tariffs – cover roughly 6400 tariff lines.

The qualifying criteria for the GSP+ are set out in the GSP Regulation. Any GSP+ beneficiary country must be both "vulnerable", according to a definition established in the GSP Regulation, and have ratified and effectively implemented 27 specified international conventions in the fields of human rights, core labour standards, sustainable development and good governance.

The GSP+ scheme 2006-2008

At present, 14 beneficiary countries receive the additional preferences offered under the GSP+ incentive arrangement: Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Georgia, Guatemala, Honduras, Mongolia, Nicaragua, Panama, Peru, Sri Lanka and Venezuela.

Preferential imports under the GSP+ scheme totalled over €4.4 billion in 2006 (an increase of 17% over 2005) and €4.7 billion in 2007 (a further increase of 11% over 2006).

The GSP + scheme for 2009-2011

The 2006-2008 GSP+ preferences lapse at the end of 2008. Accordingly, the GSP Regulation for 2009-2011 envisaged that all current GSP+ beneficiaries, along with any other country wishing to apply, had to submit an application before 31 October 2008, if they wished to receive GSP+ preferences from 1 January 2009.

All applications received before the deadline of 31 October 2008 have been examined by the Commission against the eligibility criteria set in the GSP Regulation. As a result of this examination, the Commission has established the following list of beneficiary countries which fulfil the relevant eligibility criteria: Armenia, Azerbaijan, Bolivia, Colombia, Costa Rica, Ecuador, El Salvador, Georgia, Guatemala, Honduras, Mongolia, Nicaragua, Paraguay, Peru, Sri Lanka and Venezuela. Accordingly, GSP+ preferences are granted to those countries from 1 January 2009 to 31 December 2011.

The estimated value of the new GSP+ preferences provided, in terms of EC nominal duty loss if the same products had been imported under the EU's standard GSP scheme, is EUR 357 million.

The GSP+ list 2009-2011 covers 13 current GSP+ beneficiaries (with the exception of Panama, whose application was submitted after the deadline of 31 October 2008) and 3 new countries Armenia, Azerbaijan and Paraguay.

With regard to Sri Lanka and El Salvador the fulfilment of the GSP+ eligibility is currently subject of pending investigations initiated by the Commission, respectively on the 18.10.08 and 27.05.08. Specifically, in respect to Sri Lanka, the Commission's investigation will establish whether the national legislation of Sri Lanka incorporating the International Covenant on Civil and Political Rights, the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment and the Convention on the Rights of the Child is effectively implemented. For El Salvador, the Commission's investigation will establish whether the national legislation of El Salvador no longer incorporates the International Labour Organisation's Convention No 87 concerning Freedom of Association and Protection of the Right to Organise or whether that legislation is not effectively implemented. Depending on the outcome of the investigations, subject to the procedure provided in Article 19 of the GSP Regulation these countries can continue to benefit from the special incentive arrangement as from 1 January 2009, or alternatively will be withdrawn from the scheme.

For countries which do not yet meet the GSP+ qualifying criteria, the new Regulation provides an additional opportunity for applications in mid-2010, half-way through the life of the GSP Regulation 2009-2011. This is a change from the current GSP Regulation 2006-2008, where unsuccessful applicants were obliged to wait three years before being able to re-apply. GSP+ applicants that were successful under the December 2008 review of the GSP+ will not be affected by this new mid-term window: their GSP+ status should normally be maintained throughout the three year duration of the GSP Regulation 2009-2011.