



An Roinn Post, Fiontar agus Nuálaíochta
Department of Jobs, Enterprise and Innovation

Public Consultation

European Commission Proposal for a Regulation of the European Parliament and of the Council applying a scheme of generalised tariff preferences.

1. Current Legislation

The EU's Generalised Scheme of Tariff Preferences, or GSP for short, is a special trade arrangement for developing countries, which has been in operation since 1971 and is part of the EU common commercial policy. The primary objective of the GSP is to contribute to the reduction of poverty and the promotion of sustainable development and good governance.

Under GSP, the EU grants preferential trade access to the EU market to developing countries. Countries can benefit from one of the following three GSP schemes, depending on that country's trade, development and financial needs:

1. Everything But Arms (EBA) which provides Duty-Free, Quota-Free access for products from Least Developed Countries (as defined by the UN).
2. GSP which provides preferences to 176 developing countries on over 6,200 tariff lines.
3. GSP + which is the special incentive arrangement and applies to countries working towards improved sustainable development and good governance.

The current scheme is due to expire on 31st December 2013.

2. New proposal by the Commission – Main Changes

The Everything But Arms scheme is further focused on countries most in need. Whilst the product coverage and preference margins would remain unchanged, a number of countries would no longer benefit from the scheme, including countries which have achieved a high or upper middle income per capita, according to World Bank classification (e.g Saudi Arabia, Qatar, Belarus and Russia); countries that have preferential access to the EU which is at least as good as under GSP (e.g. under a Free Trade Agreement or a special autonomous trade regime) and a number of overseas countries and territories which have an alternative market access arrangement for developed markets. The European Commission tentatively estimates that the number of beneficiary countries would drop from 176 to 80 countries.

The new regulation makes it clear that preferences may be withdrawn where unfair trading practices, including those affecting the supply of raw materials, exist or where the beneficiary fails to comply with international conventions on anti-terrorism.

The administrative procedures to protect the EU's financial and economic interests are more clearly defined than before. This will also improve legal certainty, stability and predictability for economic operators.

The new Regulation will apply for an unlimited duration while the current scheme is subject to review every three years.

3. Submitting your views

The Department is particularly interested in having views on the impact that this proposal may have on you or your members, if there are provisions that you consider should be included that are not already there, and any other observations or comments that you consider might be useful in developing a negotiating position for the period ahead.

All stakeholders are invited to examine the draft Regulation and the European Commission's Impact Assessment, and to submit comments by email to trade@djei.ie by **Thursday 25th August 2011**.

Please note that all submissions will be made publicly available on the Department's website after the closing date for submissions. Any correspondence on this consultation may be released in response to requests under the Freedom of Information Acts.

**Department of Jobs, Enterprise and Innovation
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