

Review of generalised scheme of tariff preferences (GSP)

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EU reaches agreement on revised generalised scheme of tariff preferences (GSP)

[Proposal](#) for a Regulation of the European Parliament and of the Council on applying a generalised scheme of tariff preferences and repealing Regulation (EU) No 978/2012 of the European Parliament and of the Council

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Council of the EU (2025) [Trade: Council and Parliament strike a deal to reinforce rules on trade preferences to developing countries](#). Press release, 1 December.

European Commission (2025) [EU updates sustainable development trade tool for developing countries](#). News article, 2 December.

Update

The European Union (EU) has established special trade arrangements for lower- and middle-income countries outside the EU. These arrangements – known as standard generalised scheme of preferences (GSP), GSP+, and Everything But Arms (EBA) – provide reduced tariffs on products exported to the EU from the countries listed in Table 1.

On 1 December 2025, EU law makers reached provisional agreement on a new GSP granting trade preferences to low- and lower-middle-income countries. The new scheme will apply from **1 January 2027**.

The current GSP, which was originally intended to apply from 2014 to 2023, has been subject to lengthy negotiations and was extended until the end of 2027.

The new scheme continues to offer preferential tariffs to 65 low- and middle-income countries. However, to benefit from the GSP, countries must strengthen their protection of human rights and labour standards, and respect international agreements on climate change and environmental protection. Countries that are no longer considered least-developed countries will still be able to benefit from tariff preferences via GSP+ if they commit to further strong sustainability standards.

The agreement makes it easier for the EU to withdraw preferential tariffs where imports threaten to seriously disturb the EU market. A specific safeguard mechanism has been created to respond automatically to surges in rice imports.

For the first time, the EU is linking preferential trade access to the performance of partner countries in readmitting their own nationals where they have been found to have entered the EU illegally.

What is changing?

The EU has established special trade arrangements for certain lower- and middle-income countries outside the EU (listed in Table 1). The current GSP, initially intended to end in 2023, but extended to the end of 2027, needs to be replaced by a new scheme.

The provisional agreement on a new GSP is reported to include the following key elements ([European Council 2025](#)).

Reinforcement of human and labour rights: The new GSP will include additional international conventions that must be respected for countries to benefit from preferential tariffs. It will also be easier for the EU to withdraw these preferences if those international conventions are violated.

Environmental responsibilities: GSP benefits could also be withdrawn where there are serious and systematic violations of established international principles on climate change and environmental protection.

Transitioning least-developed countries: Least-developed countries that “graduate” out of the EBA arrangement may benefit from GSP+ if they commit to sustainability standards (see Background).

Lower graduation thresholds: Today, where the average value of imports or a group of products (section) from a given Standard GSP partner country over a 3-year period exceeds 57% of the total value of EU imports of that group of products from all Standard GSP countries, the tariff preferences that countries enjoy under the GSP are suspended. Under the new scheme, the general percentage share at which tariffs are lowered will be 47%.

Rules on cumulation: EU rules of origin require products to “originate in the beneficiary country” to benefit from lower import tariffs. These rules can limit the market access gains that GSP countries can make, particularly where supply chains cross borders. The new scheme opens the door to less-strict EU rules of origin by allowing beneficiary countries to submit requests to the European Commission for “regional cumulation” (allowing beneficiary countries to treat materials originating in their region as if they originated in their own country) and “extended cumulation” (allowing beneficiary countries to treat materials originating in countries with which the EU has a free trade agreement as if they originated in their own country).

Transparency: The new rules aim to improve monitoring and implementation of GSP+ obligations through increased participation of stakeholders.

Readmission of nationals: Under the new scheme, GSP preferences may be withdrawn if a beneficiary partner country does not cooperate with the EU regarding the readmission of their own nationals who are illegally present in the EU.

Safeguard mechanism for rice imports: A new specific automatic safeguard mechanism will be introduced that will remove preferential tariffs for rice originating in EBA beneficiary countries where there is a surge of imports above historical levels. In addition, clearer processes will be established under a special surveillance mechanism which will allow the Commission to introduce safeguard measures more quickly where imports of agricultural products create disturbances on the EU market.

Timeline

The provisional agreement must now be formally adopted by the Council of the EU (Member States) and the European Parliament. This is expected in the first quarter of 2026. The new scheme will then apply from **1 January 2027**.

What are the major implications for exporting countries?

Opportunities/gains

Under the European Commission's proposal, the existing GSP system, which is generally considered to be beneficial to developing countries and the Sustainable Development Goals, will remain largely intact, with minor changes to existing rules. With the exception of the specific safeguard mechanism introduced for rice imports, EBA countries do not face any changes to market access.

Standard GSP countries competing in a sector dominated by one GSP beneficiary may see new openings to the EU market, as tariff preferences for that dominant country will be removed more rapidly than currently (at a 10% lower percentage share of the market). This will not apply to GSP+ or EBA countries.

The proposal creates new opportunities for GSP beneficiaries to negotiate additional flexibility on rules of origin by requesting extended or regional cumulation. But there is a risk that the evidence needed to secure such cumulations will be complicated to meet.

Potential concerns

The introduction of a “stronger special surveillance mechanism” for a more rapid introduction of safeguards potentially provides a less-secure legal basis for long-term preferential access to the EU market for GSP partners. Increasing uncertainty around long-term guarantees of preferences may discourage investment in, and orientation towards, the EU market. The introduction of a specific automatic safeguard mechanism for rice imports may particularly raise doubts about the long-term stability of the European market for rice exporters.

The increased number of relevant human rights and labour rights conventions could leave some beneficiary countries exposed. For example, many GSP beneficiaries have not yet ratified Convention on Labour Inspection No. 81.

Current GSP+ beneficiaries will have to reapply for access to the GSP+ arrangement and demonstrate their adherence to the additional obligations.

The addition of commitments regarding readmission of nationals may be a challenge for certain GSP beneficiaries that have weak administrative capacities. Given the political sensitivities around migration, and its untypical inclusion in preferential trade arrangements, there may be concerns about this issue disrupting the future operation of the GSP.

Recommended Actions

Eligible beneficiary partner countries seeking to gain or retain **GSP+** status should start preparing the process of ratification and implementation of human/labour rights conventions that have been added to the existing list under this proposal.

Eligible beneficiary partner countries currently benefiting from **preferential market access** should evaluate the potential implications on their long-term trading strategies with the EU of the Council’s December 2022 proposal to make it easier for the EU to reinstate full tariffs.

Standard GSP beneficiary partners may also have to ratify all human/labour rights conventions within 5 years (a Parliament proposal still under discussion).

Background

The Generalised Scheme of tariff Preferences (GSP) aims to assist lower-income countries to integrate into the world economy, reduce poverty, and support sustainable development by protecting core human rights and the environment.

The current GSP has three trading arrangements:

- 1 Standard GSP: for lower- and lower-middle-income countries, providing removal or reduction of import tariffs on approximately two thirds of EU tariff lines.
- 2 GSP+: establishes 0% import tariffs for broadly the same tariff lines as the Standard GSP. This improved preferential access is granted to vulnerable lower- and lower-middle-income countries that implement international conventions related to human rights and/or labour rights.
- 3 Everything But Arms (EBA): special arrangement for least-developed countries – 0% import tariffs and zero quotas for all products except arms and ammunition.

The eligible beneficiary countries are listed in Table 1.

Resources

European Commission: [Generalised scheme of preferences](#).

European Commission (2018) [Impact Assessment Report](#) (on GSP).

European Commission (2021) [Study in support of an impact assessment to prepare the review of GSP Regulation No 978/2012: Final report](#).

European Parliament (2022) [Report on the proposal for a regulation of the European Parliament and of the Council on applying a generalised scheme of tariff preferences and repealing Regulation \(EU\) No 978/2012 of the European Parliament and of the Council](#). Committee on International Trade.

European Parliament (2023) [MEPs pause GSP negotiations as Council hijacks scheme for migration agenda](#). Press release, 27 June.

Francavilla, C. (2023) [Migration paranoia jeopardizes EU trade and development scheme](#). Human Rights Watch, 6 June.

Sources

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Table & Figures

Table 1
Eligible and beneficiary countries of the GSP

GSP Standard	GSP+ *	Everything But Arms (EBA)	
Congo	Bolivia	Afghanistan	Mali
Cook Islands	Cabo Verde	Angola	Mauritania
India	Kyrgyzstan	Bangladesh	Mozambique
Indonesia †	Mongolia	Benin	Myanmar
Kenya †	Pakistan	Bhutan ‡	Nepal
Micronesia	Philippines	Burkina Faso	Niger
Nigeria	Sri Lanka	Burundi	Rwanda
Niue	Uzbekistan	Cambodia §	São Tomé and Príncipe ¶
Syria		Central African Republic	Senegal
Tajikistan		Chad	Sierra Leone
		Comoros	Solomon Islands
		Democratic Republic of the Congo	Somalia
		Djibouti	South Sudan
		Eritrea	Sudan
		Ethiopia	Tanzania
		Guinea	The Gambia
		Guinea-Bissau	Timor-Leste
		Haiti	Togo
		Kiribati	Tuvalu
		Laos	Uganda
		Lesotho	Vanuatu
		Liberia	Yemen
		Madagascar	Zambia
		Malawi	

* GSP+ beneficiary countries at the date of entry and application of the new Regulation will continue to benefit from GSP+ status until 31 December 2025.

† To be removed from GSP beneficiary countries on 1 January 2027.

‡ Graduating from EBA on 1 January 2028.

§ Preferences partially withdrawn.

¶ Graduating from EBA on 1 January 2029.

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