

Review of generalised scheme of tariff preferences (GSP)

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Proposal for a Regulation on applying a generalised scheme of tariff preferences

What is changing and why?

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

The Standard GSP and GSP+ arrangements were scheduled to end on 31 December 2023. For the affected countries to continue enjoying the benefit of reduced tariffs, the existing arrangements need to be re-evaluated and extended.

The European Commission has proposed a number of changes to existing rules, including:

- Simplifying the process for countries to access lower tariffs, even if the materials used in the exported products come from another country in the same region, or from a country with a free trade agreement with the EU.
- Speeding up the removal of reduced tariffs for products when a Standard GSP country significantly increases its exports. The current threshold is if a country's exports make up more than 57% of all exports in that product category. The proposed change lowers this threshold to 47%.
- Implementing stricter conditions for a country to qualify for GSP+ benefits. A qualifying country must have more than 75% of its total exports falling within the EU's seven largest export categories, and it must also agree to more human rights and environmental agreements (33 instead of the current 27).
- Facilitating the EU's ability to temporarily revoke the benefit of lower tariffs, particularly if a country does not allow its citizens to return after being deported from the EU.

The Council of the EU and the European Parliament have put forward additional ideas, including:

- Simplifying the EU's ability to remove reduced tariffs if there is a notable increase in imports of a specific product.
- Allowing the EU to automatically remove reduced tariffs on rice from EBA countries if their rice exports exceed 10% of all rice exports from countries that benefit from GSP.

- Requiring not only GSP+ countries, but also GSP Standard countries, to agree to human rights and environmental agreements to qualify for reduced tariffs.
- Requiring countries to agree to more international agreements.

Discussions between the EU institutions have been complicated, especially the idea of linking reduced tariffs to a country's migration policy.

Actions

Countries outside the EU need to observe the ongoing talks between the EU institutions. Countries that currently have GSP+ status should prepare to approve and put into action the six human and labour rights agreements that have been added to the list.

Timeline

Because the Council of the EU and the European Parliament are finding it difficult to agree on the details, these talks had not finished by 31 December 2023. So the Commission decided that the current GSP rules should stay in place until 31 December 2027, or at least until new rules are agreed.

The new European Parliament, to be elected in June 2024, will have to decide how to proceed with the Commission's proposal for a new GSP.

For more information see the [full record](#) on the AGRINFO website – where you can also view the latest [AGRINFO Update](#) newsletters and [search](#) the database.

Tables & Figures

Table 1 Eligible and beneficiary countries of the generalised scheme of tariff preferences (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	Sao Tome and Principe
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.


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