

GSP+

The Way Forward

EU and Pakistan

- Pakistan is an important international partner for the European Union
- Share both history and political, democratic, social and cultural values.
- Strengthened partnership through a five year engagement plan adopted in 2012.
- Cooperation on a wide range of issues, including political and security dialogue and economic issues.

What is GSP

- GSP/GSP+ important factor in EU-Pakistan relations. Has received much attention.
- What is the generalised system of preferences?
 - Established according to WTO rules.
 - Aimed at helping developing countries.
 - Unilateral.
 - Reduces tariffs on imports of certain goods.
 - Includes exceptions for sensitive produces.

Different GSP schemes

- Regular GSP.
 - All lower middle income and lower income countries (WB).
 - Duty reductions on 66% of all tariff lines.
- Everything But Arms.
 - All Least Developed Countries (UN).
 - Zero duties on all tariff lines except arms.

Different GSP schemes

- GSP+
 - Special incentive arrangement for sustainable development and good governance.
 - Covers a total of 91 % of tariff lines with zero or reduced duties.
 - Available only to countries which ratify and implement 27 key conventions on human rights, labour rights and the environment.

GSP+

- Political instrument for the EU to encourage developing countries to strengthen democracy, human rights and good governance.
- Win-win for the countries in question. Creates economic growth while at the same time improving framework for businesses.
- Will be monitored on the part of EU. If conditions are not met the preferences can be revoked.

GSP+ and Pakistan

- During the last few years Pakistan has prepared by ratifying remaining conventions and removing reservations. An application was launched by Pakistan before the May 2013 elections.
- The Commission issued a decision granting Pakistan and 9 other countries GSP+ in August 2013, which was endorsed by the European Parliament in December.
- The Scheme entered into force 1 January 2014.

GSP+ and Pakistan

- Considerable potential to boost growth and employment.
- Enhancing exports to the EU.
 - Improved competitiveness.
 - Estimates varies: 600M\$ - 2B\$.
 - Textile sector a big winner, but potential in other sectors as well.
- Strengthening investments.
 - EU companies.
 - Companies of 3rd countries.

GSP+ and Pakistan

- What is required to take advantage?
 - Create awareness among exporters and investors about the opportunities.
 - Some fairly simple technical requirements. Most important certificate of origin.
 - Continued focus on implementation of the 27 Conventions.
 - Improve framework conditions for doing business in Pakistan: Legislation, infrastructure, etc.
 - Work on diversification of exports

GSP+ The Conventions

- Human Rights: Civil and Political Rights, economic, social and cultural rights, Rights of women and children, prevention of torture and other inhuman treatment, etc.
- Labour rights: Prohibition of forced labour and child labour, prohibition of discrimination in the workplace, the right to organise and bargain collectively, etc.

GSP+ The Conventions

- Other conventions:
 - Biodiversity and biosafety.
 - Climate change.
 - Hazardous waste.
 - Trafficking in Narcotic drugs.
 - Corruption.
- List of all the conventions can be found in the GSP regulation

GSP+ monitoring

- Not enough to sign and ratify conventions. Continuous progress in implementation must be ensured.
- EU will monitor progress in close cooperation with the GSP+ recipients.
- Enhanced dialogue on human rights, labour rights and the environment.
- Report every two years to European Parliament and EU Member States.

GSP+ monitoring

- Role of the Government.
 - Ensure new legislation when necessary.
 - Enforce existing legislation.
 - Ensure timely reporting to Monitoring Bodies.
- Role of the business community.
 - Encourage Government to make progress.
 - Make sure that the conventions are respected in their own places of business.

More information

- EU regulation 978/2012
- DG Trade website: ec.europa.eu/trade
- EU's export helpdesk: exporthelp.europa.eu

Thank You