

# Scheme of generalised tariff preferences (GSP)

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The Council endorsed the approach outlined by the presidency **for a comprehensive review of the EU's generalised scheme of tariff preferences (GSP)** for developing countries.

It **agreed on a compromise** focusing on five key areas in the Commission's proposal. On this basis, the presidency will prepare a mandate, to be approved by the Permanent Representatives Committee, for **negotiations with the European Parliament** on the draft regulation establishing the new GSP.

The review of the GSP is aimed at adapting the system to the changed global landscape and making it more efficient so that it responds better to the specific needs of the beneficiary countries. Preferences would be concentrated on the countries in greatest need (least developed, low income and lower middle-income countries), taking account of changing economic and trade patterns and acknowledging that the economic crisis and preference erosion have hit the poorest countries hard.

The selection of beneficiaries would be largely income-based, with countries already enjoying preferences under free trade agreements or autonomous arrangements being excluded from the scheme.

The five main areas covered by the proposal are:

- country coverage;
- preference margins and product coverage;
- product graduation;
- "GSP+" (special incentive for sustainable development and good governance); and
- special safeguards.