Generalised tariff preferences: period from 1st January 2002 to 31 December 2004

2001/0131(CNS) - 12/06/2001 - Legislative proposal

PURPOSE: To implement the scheme of generalised preferences in the third part of the ten-year period 1995-2004 CONTENT: The current Regulation governing the multiannual scheme of generalised tariff preferences (Regulation 2820/98/EC) will expire on 31 December 2001. Thus a new Regulation is required in order to implement those guidelines for the remainder of the period - the years 2002 to 2004. The proposed amendments do not seek to make substantive changes to the existing provisions, rather they seek to streamline and simplify certain aspects of the current Regulation. Concerning the provisions of "modulation", the Commission proposes reducing the number of mechanisms from four to two, namely - "sensitive and non-sensitive products". Under this scheme, non-sensitive products would continue to enjoy duty free access, while sensitive products would enjoy a tariff reduction equal to that of all products classified under that category. Concerning the provisions of "Graduation", a new regime governing the rules for qualifying countries is announced. The Commission proposes relying on classifications defined by the World Bank to establish whether a country is a high-income country or not. In order to enhance the objectivity of the regime, the list of beneficiary countries should be revised on a yearly basis. To make the regime more balanced, the Commission proposes additional requirements according to which graduation should only take place where beneficiary countries meet one of the criteria during three consecutive years. Concerning the "special incentive arrangements", the Commission proposes streamlining the current provisions to facilitate a higher uptake of the benefits on offer. Lastly, the Commission recommends that GSP should be used as a means for promoting the protection of key labour standards. Temporary withdrawal of GSP benefits to those countries continuing to violate and flout accepted labour standards should become an accepted element of the GSP regime.