Generalized system of preferences: revision of the system 1995-1997 for industrial products

1994/0209(CNS) - 19/09/1994 - Legislative proposal

This proposal for a regulation aimed to apply a new scheme of generalised tariff preferences for three years (1995-1997) in respect of certain industrial products originating in developing countries. This new scheme was characterised by the following points: - principle of neutrality: a level of liberalisation which was neutral overall compared with the existing scheme as regards the impact of the preferential margin on the volume of preferential trade. This neutrality was nevertheless "corrected" by special incentive arrangements (social and environmental clauses) which constituted additional preferences with respect to the basic system (20%, or even 30% where 2 clauses were grouped together). These arrangements would enter into force two years after the entry into force of the new system: - simplified tariffs: the tariffs were established according to the sensitivity of the products: . sensitive products: 80% of the CCT, . semi-sensitive products: 40% of the CCT, . non-sensitive products: 0% of the CCT. - a product/country safeguard clause was provided for on the basis of the principle of serious damage; - a GSP sector/country graduation system: this involved transferring the preferential margins from developed countries to less developed countries through a system of industrial specialisation, based on the level of development of the country (combination of two indices: development and specialisation). This system of graduation was supplemented by a solidarity mechanism applicable in exceptional circumstances (from 1996). The graduation and solidarity mechanisms would be applied progressively in order to enable the economic operators to adapt to the new GSP elements. - suspensions were provided for (in cases of fraud, etc.); - special arrangements were established for countries involved in combating the production and trafficking of drugs (Andean countries); - beneficiaries: the current list was maintained for three years with the countries of the former USSR for a transitional period and South Africa.