

# **Scheme of generalised tariff preferences GSP: implementing guidelines for the period 2006-2015 from 1st July 2005 to 31st December 2008**

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The Council examined a draft Regulation applying a scheme of generalised tariff preferences (GSP) for trade with developing countries over the period 1 April 2005 to 31 December 2008. It agreed to mandate the Permanent Representatives Committee to pursue the outstanding issues at its next meeting on 24 March 2005, so that the Regulation could be adopted by 1 April 2005.

The main question considered by the Council concerned treatment of the textiles sector and in particular the implications for trade in that sector with India. Discussions focused in particular on the problem of the graduation threshold, i.e. the percentage of total imports of the product concerned from all beneficiary countries above which a particular country ceases to benefit from the GSP. The difficult situation of the European textiles industry was emphasised by many delegations.

The main innovations proposed by the Council were the following:

- a more generous offer, introducing in particular some 300 extra products, most in the area of agriculture and fisheries;
- a special incentive arrangement for sustainable development and good governance in beneficiary countries that ratify and implement a certain number of international conventions on the subject.

The "Everything but Arms" regime, which provides for zero duties on imports of products from the least developed countries, would remain unchanged.

In addition, the draft Regulation envisages bringing forward the entry into force of the new GSP to 1 April 2005, to take account of the action plan adopted for countries affected by the December 2004 tsunami in the Indian Ocean.