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EU Generalised Scheme of Preferences (GSP)

Key issues & recommendations in relation to the metals sector

As the current EU scheme, which operates on the basis of [Regulation \(EU\) No 978/2012](#) of the European Parliament and the Council of 25 October 2012 (the “GSP Regulation”), will expire on 31 December 2023, the Commission has launched its consultation process which changes will have to be introduced as from 1 January 2024.

Eurometaux supports the objective of the GSP to offer easier access to the EU market in order to promote sustainable economic, social and environmental progress in developing countries. Indeed, by removing EU’s import duties from products coming into the EU market from vulnerable developing countries, this mechanism helps developing countries to alleviate poverty and create jobs based on international values and principles. We also welcome this as an opportunity to promote EU high standards of sustainability worldwide and to encourage developing countries to implement environmental and social standards that will foster sustainable development, including the promotion and protection of human rights and labour rights and diversify the economies.

Herewith Eurometaux would like to provide its comments and key recommendations to the current Commission’s consultation on the review of GSP scheme. Among them are:

To keep Sensitive tariffs lines for metals products

Standard GSP reduces EU import duties for about 2/3 of all product tariff lines. Common Customs Tariff ad valorem duties on products listed in Annex V as sensitive products are reduced by 3,5 percentage points. Currently several metals products (aluminium, copper, lead, zinc) are listed as sensitive products. We believe, duties on sensitive products should continue to enjoy a tariff reduction, taking account of the situation of the corresponding Union industries.

To adjust the application of Product Graduation Mechanism

Some developing countries export highly competitive products, which do not need preferences to successfully access world markets. GSP is withdrawn from these product sectors if the average value of imports from the GSP beneficiary country over 3 years exceeds certain threshold of the total GSP imports for that section. For metals this threshold is 57%.

For example, Indonesia represents a significant market share in many metals market, is not graduated from the list. In view of this, it would be advisable to adjust the application of the threshold, including more fine-tuned methodologies, as for example, taking into account the market share of that country in question. This would better encourage export diversification by the beneficiary country making sure that preferences are



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not granted to imports that are already competitive in the EU market.

To broaden possibility to withdraw from Standard GSP

Currently the EU can withdraw Standard GSP in exceptional circumstances, notably in case of serious and systematic violation of fundamental human rights and labour rights conventions.

We would like to propose to broaden this clause, in cases where countries are using industrial subsidies or unfair trade practices, they may be removed from the GSP list.

To include Paris Agreement into the list of GSP Plus

Currently there are have 27 international conventions that developing countries need to ratify and implement to be eligible for GSP Plus. Our proposal would be to add to this list the Paris Agreement, that will strengthen environmental development in developing countries and contribute to the external dimension of the EU’s Green Deal.

To link standard GSP regimes with EU on climate change and environmental protection

- Efforts should be increased to better assess if the environmental requirements under the GSP+ are met by the beneficiary countries;
- The Standard GSP, should also include to a certain extent, a conditionality to comply with some international conventions on climate change and environmental protection.

To link standard GSP regimes with EU TDI Related aspects

Whenever a country has been found to dump a certain product (the “product concerned” of an anti-dumping investigation) in the EU, this product/country should be automatically excluded from the GSP tariff preference as long as the anti-dumping measures remains in force.

To make sure the trade measures are supported by a toolbox of development assistance

While the focus on developmental issues and human rights are extremely important, there are also aspects of EU’s economic and financial interests that should be taken into account. Needless to say, the economic and social problems of developing countries cannot be solved exclusively by means of trade. To achieve this objective, a comprehensive toolbox of development assistance is needed.

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