

## **The European Union's Generalised Scheme of Preferences (GSP) Scheme**

The European Union has revised its import preference scheme - known as the Generalised Scheme of Preferences (GSP) - for developing countries most in need which will take effect from 1 January 2014. The new scheme will be focused on fewer beneficiaries (89 countries compared to 176 beneficiaries at present) to ensure more impact on countries most in need. At the same time, more support will be provided to countries which are serious about implementing international human rights, labour rights and environment and good governance conventions.

The objectives of the new GSP are to better focus on those countries in need; further promote core principles of sustainable development and good governance and to enhance stability and predictability.

### *GSP covers three separate regimes:*

1. The "standard" GSP; which currently provides 176 developing countries and territories with preferential access to the EU.
2. The special incentive arrangement known as "GSP+", which offers additional tariff reductions to support vulnerable developing countries in the implementation of international conventions in the areas of sustainable development and good governance.
3. The Everything But Arms (EBA) arrangement, under which all products from Least Developed Countries (LDCs) are not subject to any import duties or quotas in the EU.

While the new GSP regulation (Regulation 978/2012) was adopted on 31 October 2012, the new preferences will apply only as of 1 January 2014. This provides ample time for economic operators to adapt smoothly to the new Scheme, thus ensuring a smooth transition. Until 1 January 2014, the preferences from the 2008 scheme will continue to apply.

India is the largest beneficiary of EU's GSP Scheme with preferential imports worth €15.3 billion entering the EU market in 2010. India will continue to be a beneficiary of the Scheme after 2014.

For more information on the new GSP, log on to the following website:

<http://ec.europa.eu/trade/wider-agenda/development/generalised-system-of-preferences>