



## EUROPEAN UNION

Delegation of the European Union to  
the Philippines

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### Press Release

## European Union slashes tariffs on strategic Philippine exports to zero.

In its plenary meeting today, the European Parliament completed the last stage in the process to grant the Philippines GSP+ that will provide duty free entry to the EU for some of the most important Philippine exports, including processed fruit and foodstuffs; coconut oil; footwear; fish and textiles. The GSP+ preferences cover over 6200 tariff lines.

EU Ambassador Guy Ledoux stated *"This is very good news for the Philippines as it will bring tariffs to 0% for two thirds of tariff lines including strategic products that the Philippines is already exporting to the EU. This will immediately translate into savings of tens of millions of euros per year in foregone customs duties."*

*"Apart from giving a dramatic and immediate advantage to Philippine exports, the EU concession significantly improves the attractiveness of the Philippines as a destination for new agricultural and manufacturing facilities for products that will now enjoy duty free access to the EU. This gives the Philippines a comparative advantage and represents very tangible EU support to the Philippine strategy to increase exports and investments, and diversify its industry."*

*"The bottom line is more jobs for Filipinos in the Philippines"*, Ambassador Ledoux concluded

The Philippines is already a beneficiary to EU's Generalized Scheme of Preferences (GSP). Total exports to the EU that were eligible under GSP in 2013 amounted to €1.69 billion or 33% of total exports to the EU. Actual utilization was around 64% or €1.08 billion but this figure is set to rise as a result of GSP+.

The greatest benefit that is likely to be gained from GSP+ is the attraction of new industrial investments in sectors where relatively high tariffs are being slashed to zero under GSP+. These include established Filipino exports that are labour intensive such as pineapple juice (currently 28.5%); garments (currently 5-9%); preserved fruits (currently 6-9%); tuna (currently 20.5%); fruit jams and jellies (currently 20.5%) and footwear (currently 11.9%).

The European Union provides GSP+ preferences to create economic benefits that will help the Philippines to assume its responsibilities under core international conventions on human and labour rights, environmental protection and good governance. The EU, which is also a party to these conventions, will keep under review their effective implementation by the Philippines, as well as its cooperation with their monitoring bodies.

## **Background**

The European Union ('EU') has granted trade preferences to developing countries through the Generalised Scheme of Tariff Preferences (GSP scheme) since 1971. It is part of its common commercial policy in accordance with the general provisions governing the EU's external action. The special incentive arrangement for sustainable development and good governance ('GSP+') provides additional tariff preferences when exporting to the European Union to developing countries which are vulnerable due to a lack of diversification and insufficient integration within the international trading system. The GSP+ scheme supports these countries to assume the special burdens and responsibilities resulting from the ratification of 27 core international conventions on human and labour rights, environmental protection and good governance and their effective implementation.

Article 9(1) of Regulation (EU) No 978/2012 of the European Parliament and of the Council ('GSP Regulation') establishes the conditions for benefiting from the GSP+. The GSP+ currently covers 13 beneficiaries: Armenia, Bolivia, Cape Verde, Costa Rica, Ecuador, El Salvador, Georgia, Guatemala, Mongolia, Pakistan, Panama, Paraguay and Peru.

The Commission delegated Regulation will enter into force on the day following its publication in the EU Official Journal in the coming weeks.

### **Further Information:**

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