

**Speech delivered by
H.E. Ambassador David Daly
at the National Chamber of Commerce and Industry of Sri Lanka
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I am delighted to make a few remarks at the opening of this seminar on the EU's special system of trade preferences for developing countries, commonly called the Generalised System of Preferences or GSP.

I would like to take this opportunity to make 3 points about t-shirts, speed and The One Big Idea.

T-shirts: Some people think that to speak of GSP+ means only to speak of T-shirts, of fish or of rubber, or of bicycles...

But, to speak of GSP+ means also to speak of human rights, of civil and political freedoms, of torture ...

Good news! The new GOSL has been very clear about its commitment to improving good governance, the rule of law and human rights here in Sri Lanka. This is a crucial first step.

Speed: Some people think that getting the GSP+ is simple and quick.

But, the GSP+ is complex and it will take many, many months of very close cooperation between Sri Lanka and the EU, examining together Sri Lanka's compliance with the 27 international conventions in the human rights area which form a framework for the EU's GSP+ assessment.

Good news! This work started yesterday in the EU-Sri Lanka WG on Trade, here in Colombo; we started a process which may lead to the GSP+.

The One Big Idea: Some people think that getting the GSP+ is an instant cure for all economic ills.

Yes, the GSP+ is very important and worth making the effort to get. €130-150m p.a. In duties.

But, the GSP+ is not a substitute for companies to have a strategic vision of where they need to go, a vision of how they can move up the value chain, of how they must continue to find productivity increases as they face the ever intensive competition on global markets - especially on the very open and competitive Single Market of the EU with its over 500m discerning consumers. If the country continues on its development path remember that one day Sri Lanka will graduate out of the GSP system: that also must be part of your strategic vision.

Good news! Many Sri Lankan companies have shown by their export performance that they can compete internationally, that they can move up the value chain, that they know that Yes, the GSP+ can help, but it is no magic solution.

Getting the new GSP+ is a very laudable goal; it is consistent with the Government of Sri Lanka's stated aims of improving good governance, the rule of law and the improvements in human rights.

The EU encourages this and hopes that over time the concrete improvements on the ground in Sri Lanka will be the best argument for getting the GSP+.

Thank you