

EUROPEAN PARLIAMENT

2004



2009

Session document

5.10.2004

B6-0072/2004

MOTION FOR A RESOLUTION

further to Question for Oral Answer B6-0015/2004

pursuant to Rule 108(5) of the Rules of Procedure

by Françoise Castex, Glenys Kinnock, Erika Mann, Miguel Angel Martínez Martínez and Margrietus J. van den Berg

on behalf of the PSE Group

on the Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee 'Developing countries, international trade and sustainable development: the function of the Community's generalised system of preferences (GSP) for the ten-year period from 2006 to 2015' (COM(2004) 461)

European Parliament resolution on the Communication from the Commission to the Council, the European Parliament and the European Economic and Social Committee 'Developing countries, international trade and sustainable development: the function of the Community's generalised system of preferences (GSP) for the ten-year period from 2006 to 2015' (COM(2004) 461)

The European Parliament,

- having regard to the Commission Communication on developing countries, international trade and sustainable development: the function of the Community's generalised system of preferences (GSP) for the ten-year period from 2006 to 2015 (COM(2004) 461)¹,
- having regard to Council Regulation (EC) No 2501/2001 of 10 December 2001 applying a scheme of generalised tariff preferences for the period from 1 January 2002 to 31 December 2004²,
- having regard to Council Regulation (EC) No 2211/2003 of 15 December 2003 amending Regulation (EC) No 2501/2001 applying a scheme of generalised tariff preferences for the period from 1 January 2002 to 31 December 2004 and extending it to 31 December 2005³,
- having regard to its resolution of 29 November 2001 on a scheme of generalised tariff preferences for the period 1 January 2002 to 31 December 2004⁴,
- having regard to its resolution of 4 December 2003 on a scheme of generalised tariff preferences for the period from 1 January 2002 to 31 December 2004 and extending it to 31 December 2005⁵,
- having regard to the Communication from the Commission 'Towards a reinforced culture of consultation and dialogue - General principles and minimum standards for consultation of interested parties by the Commission' (COM(2002) 704)⁶,
- having regard to the Doha Declaration, adopted by the Fourth WTO Ministerial Conference from 9 to 13 November 2001,
- having regard to the outcome of the World Summit on Sustainable Development (WSSD) held in Johannesburg (South Africa) from 26 August to 4 September 2002,
- having regard to the Monterrey Consensus adopted by the International Conference on Financing for Development at its meeting in Monterrey (Mexico) from 18 to 22 March

¹ OJ C

² OJ L 346, 31.12.2001, p. 1.

³ OJ L 332, 19.12.2003, p. 1.

⁴ OJ C 153E, 27.6.2002, p. 30.

⁵ P5-TA(2003)0538.

⁶ OJ C

2002,

- having regard to the Millennium Declaration of 2000 and the commitment of the UN and its member countries to achieving the Millennium Development Goals by 2015,
 - having regard to Rule 108(5) of the Rules of Procedure,
- A. whereas since its creation in 1971 the Generalised System of Preferences (GSP) has been a key instrument of the EU's development policy as well as EC trade policy,
 - B. whereas the Commission's Communication sets out new ten-year guidelines for the Generalised System of Preferences, on the basis of which a series of three-year regulations will subsequently ensue,
 - C. whereas any change in the current GSP scheme will directly affect, positively and negatively, a wide variety of stakeholders,
 - D. whereas, as stated in the Commission Communication 'Towards a reinforced culture of consultation and dialogue - General principles and minimum standards for consultation of interested parties by the Commission' (COM(2002) 704), the Commission has committed itself to wide and transparent consultations with the actors affected by any major policy initiative,
 - E. whereas the GSP utilisation rate, defined as the volume of imports actually benefiting from tariff preferences as a percentage of the total volume of trade eligible under the GSP, remained at disappointing low levels during recent years (i.e. 52.5% in 2002),
 - F. whereas the WTO India Appellate Body, in the ruling on the EC's Generalised System of Preferences (GSP) scheme on 7 April 2004, stated that developed countries may grant different tariffs to products originating from different GSP beneficiaries, provided that such differential tariff treatment meets the remaining conditions in the Enabling Clause and thus ensures non-discrimination against countries with the same development, financial and trade needs which the benefits are intended to address,
1. Welcomes the objectives set out by the Communication and endorses the Commission's resolve to improve the current Generalised System of Preferences through the simplification, stabilisation and clarification of the arrangements, the concentration of preferences on those developing countries most in need, and the enhancement of the sustainable development component;
 2. Notes that, in order to achieve its declared objectives, the Commission proposes far-reaching reforms of the current GSP system, such as, amongst others, reduction of the arrangements from five to three, a new graduation system based only on market share criteria and the simplification of rules of origin;
 3. Notes that this important Communication, which sets out new ten-year guidelines for the GSP, does not refer to any prior thorough evaluation of the functioning and impact of the current GSP as a means to provide decision-makers with solid elements of information on

both the need for reform and the potential for improvement;

4. Regrets that the Commission's communication was not the result of a proper stakeholder consultation and does not come sufficiently in advance to allow for meaningful consultations in anticipation of the expected release of the proposal for the next regulation;
5. Recalls that customs duties have steadily fallen to an all-time low and that further tariff reductions should be agreed upon as a result of WTO negotiations on the Doha Development Agenda, and considers that the subsequent erosion of preferences must be addressed by the new GSP system;
6. Stresses that, in order to improve its impact on the special needs of developing countries, the next GSP Regulation should:
 - a) grant preferences in accordance with the export potential of eligible developing countries;
 - b) extend preferential access to a wide range of new products and transfer a significant number of products currently classified as 'sensitive' to the 'non-sensitive' category;
 - c) consider the importance of food sovereignty and the right of each country to protect its agriculture in the implementation of GSP;
 - d) ensure that the new graduation system applied does not impact negatively on any developing country;
 - e) ensure that 'GSP Plus' is applied to all developing countries which do not qualify for EBA;
7. Calls on the Commission to explore the possibility of increasing the preferential margin for sensitive products;
8. Welcomes the overall objective of simplifying the graduation mechanism but notes with concern that the new graduation system outlined by the Commission is based solely on market share criteria, disregarding development and poverty indicators, and believes that such a system could discriminate against big yet poor exporters;
9. Stresses the need to carefully evaluate the pros and cons of the new graduation system and to foresee a mechanism that mitigates the adverse effects that graduation may impose on poor layers of population in developing countries;
10. Calls on the Commission to provide more information about the impact that different graduation thresholds would have on current GSP beneficiaries well in advance of the release of the next GSP Regulation;
11. Endorses the promotion of sustainable development as a key component of the GSP but draws attention to the fundamental requirement that the proposed single system of additional concessions (GSP plus) be a simple and predictable arrangement that is compatible with the WTO Enabling Clause and thus provides for objective criteria for the selection and evaluation of beneficiary countries;
12. Insists that it is crucial that, to qualify for 'GSP Plus', beneficiary countries must have both

ratified and implemented the relevant international conventions, and that the forthcoming Regulation must specify credible procedures by which this can be assessed, and by which investigations can be initiated in case of evidence of inadequate implementation;

13. Believes that the European Parliament and the social partners should be consulted on any request for 'GSP Plus' benefits;
14. Suggests that, in the interests of a flexible and effective application of the GSP's temporary withdrawal provisions, the Regulation should provide for the possibility of withdrawing 'GSP Plus' preferences in respect of specific sectors in the case of serious violations of core labour standards in those sectors;
15. Insists that the EU commit itself to providing development assistance towards capacity building in order to help developing countries to qualify for 'GSP Plus', failing which the standards set could act as NTBs and a large number of countries could miss out on the potential benefits of the system;
16. Welcomes the Communication's emphasis on simplification;
17. Notes that rules of origin and related administrative procedures have been demonstrated to be one of the main reasons for the under-utilisation of GSP trade preferences, particularly by Least Developed Countries (LDCs); calls on the Commission to provide technical assistance to LDCs to facilitate the implementation of these standards and to review its rules and procedures in this regard, with a view to reducing the obstacles to a fuller utilisation of GSP preferences;
18. Welcomes the Commission's determination to reform the system of origin rules in form, substance and procedures;
19. Calls on the Commission to explore the merits, particularly with regards to LDCs, of the replacement of partial regional cumulation of origin with cross-regional cumulation and full or global cumulation; and also to consider the case for applying less stringent rules of origin to LDCs;
20. Calls on the Commission to make progress in the harmonisation of the different systems of origin rules applied by the existing trade agreements (i.e. GSP/ EBA, FTAs, EPAs);
21. Notes that, as established in the WTO Doha Declaration, in the Monterrey Consensus and in the conclusions of the WSSD of Johannesburg, developing countries should be provided with technical assistance aimed at building the institutional and regulatory capacity required to capture the benefits from international trade and preferential arrangements;
22. Believes that, for the EU to provide developing countries with adequate support and to be able to effectively adjust its trade policy to the needs of developing countries, it should carry out regular assessments of the impact of the GSP on the populations of developing countries;

23. Concludes that, although full support is given to the objectives stated by the Commission, further clarification as to the exact details and mechanisms of implementation of the different arrangements is required for Parliament to be able to carry out a more informed and definitive assessment;
24. Calls on the Council and the Commission to start the consultation process on the new GSP first implementing regulation sufficiently early to allow for a proper involvement and consultation of partner countries, non-state actors and EU institutions, including the European Parliament;
25. Instructs its President to forward this resolution to the Council and the Commission.