



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Development

2010/0140(COD)

10.11.2010

OPINION

of the Committee on Development

for the Committee on International Trade

on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 732/2008 applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011
(COM(2010)0142 – C7-0135/2010 – 2010/0140(COD))

Rapporteur: Eva Joly

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SHORT JUSTIFICATION

GSP

The EU Generalised System of Preferences (GSP) is a trade mechanism allowing the EU to offer preferential non-reciprocal market access to developing countries through reduced tariffs.

In addition to 'standard' GSP access, open to all developing countries, a number qualify for GSP+. This means additional tariff cuts for developing countries that meet certain conditions.

GSP eligibility criteria vulnerability/dependence — where the country's five largest GSP-covered EU exports account for more than three quarters of its total GSP exports — and where the country's GSP-covered EU exports represent less than 1% of total EU GSP imports. GSP+ beneficiaries must also have ratified and implemented some 27 international conventions in the fields of human rights, core labour standards, sustainable development and good governance. When a country fails to satisfy these criteria, GSP+ can be suspended.

All 49 least-developed countries are eligible for the Everything but Arms scheme which offers them duty-free quota-free EU market access for all exports.

Timeframe

The current GSP scheme was established under Council Regulation EC 732/2008. It expires at the end of 2011, after which GSP will lapse unless a substitute scheme is in place.

The Commission expects to table a new proposal in early 2011, which would mean the replacement GSP scheme would only come into force in mid-2012 at the earliest, i.e. a legal void of over six months.

Therefore, the current proposal looks to extend the existing GSP scheme for a maximum two further years, until such time as the new Regulation enters into force.

Your rapporteur is of the view that this solution is not ideal — it means that EP has a say on the scheme only four years after the entry into force of the Lisbon Treaty. However, is a satisfactory approach inasmuch as it obviates unwanted discontinuity in the GSP programme. It would obviously be harmful for developing countries if they were obliged to revert to the EU's MFN tariffs and ceased to enjoy preferential treatment, albeit temporarily.

Having said this, it is important that the Commission produces its new GSP proposal within the shortest possible timeframe and that the legislative procedure is concluded as speedily as possible. However, the new GSP scheme, unlike its predecessor, will be co-decided by Council and Parliament; time pressure must not be allowed to usurp Parliament's democratic prerogatives. Parliament must make use of its new post-Lisbon powers in the trade arena.

Current proposal

A more substantial review of the GSP scheme is likely when the new GSP Regulation is drafted next year. Your rapporteur has nonetheless tabled several amendments to the GSP Regulation as it stands.

First and foremost, the principle of preferential and differential treatment where our trading relationships with developing countries are concerned is a key one. The share of developing countries' exports in overall EU imports is negligible. Yet trade preferences give them the chance to break free from the vicious circle of aid dependency. Proposals to move towards EU-developing country trade relationships on an equal footing, when the EU's current capacity and comparative advantages are far superior, are not realistic.

Article 208 of the Lisbon treaty of course obliges the EU to "take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries." This means a commitment from the EU to avoid policy choices that undermine its work in the field of development cooperation and, indeed, to pursue actions, across the policy spectrum, that will benefit developing countries. This applies *par excellence* to trade.

It is also essential that the Commission, under Parliament's scrutiny, monitors closely and strictly beneficiary countries' ongoing adherence to the criteria rendering them eligible for GSP+.

The Commission currently carries out a Sustainable Impact Assessment for GSP. Parliament should ask the Commission to inform it on the terms of reference, the results and lessons learnt from this assessment, as well as its future intentions as regard the implementation of SIA under the new GSP scheme.

Your rapporteur believes firmly in the need for a global trading system based on ethics, democracy and transparency not solely profit, a system which benefits society as a whole and not just a limited number of businesses. Upholding internationally-agreed standards on human rights, labour standards, the environment and governance is a vital element of GSP+, one which may indeed need to be tightened up in future. Therefore, close supervision of sectors such as fisheries, forestry and mining, to name but a few, as well as the treatment of women and minorities as regards access to labour markets and working conditions is extremely necessary.

In the interests of democracy and transparency, it is also important that any consultations with beneficiary countries regarding ongoing respect of the GSP+ criteria include a dialogue with national parliaments and local civil society actors.

AMENDMENTS

The Committee on Development calls on the Committee on International Trade, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation– amending act

Article 1 - point 1 a (new)

Regulation (EC) No 732/2008

Recital 2 a (new)

Text proposed by the Commission

Amendment

(1a) A new recital is inserted after recital 2:

(2a) The EU is obliged to take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries and therefore the GSP scheme must contribute to the EU's development objectives, including attainment of the MDGs.

Amendment 2

Proposal for a regulation– amending act

Article 1 – point 1 a (new)

Regulation (EC) No 732/2008

Article 5 - paragraph 2

Text proposed by the Commission

Amendment

(1a) Article 5(2) is replaced by the following:

“For the purposes of the arrangements referred to in Article 1(2), the rules of origin concerning the definition of the concept of originating products, the procedures and the methods of administrative cooperation related thereto, shall be those laid down in Regulation (EEC) No 2454/93. The form, substance and procedures of the system of rules of origin shall be subject to regular revision in order to evaluate its effect on GSP utilisation rates and to better serve the purpose of promoting economic development.”

Amendment 3

Proposal for a regulation– amending act

Article 1 – point 4

Regulation (EC) No 732/2008

Article 10

Text proposed by the Commission

(4) ***In Article 10(3)***, the full stop at the end of point (b) is replaced by a semicolon, and the following is added after point (b):

“or

(c) by 15 December 2011, for a request under Article 9(1)(a)(iii),

or

(d) by 15 June 2013 for a request under Article 9(1)(a)(iv).”

Amendment 4

Proposal for a regulation – amending act

Article 1 - point 4 a (new)

Regulation (EC) No 732/2008

Article 10 a (new)

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Amendment

(4) ***Article 10 is amended as follows:***

(a) Article 10(1) is replaced by the following:

“1. The Commission shall examine the request accompanied by the information referred to in Article 9(2). When examining the request the Commission shall take account of the findings of the relevant international organisations and agencies. It may ask the requesting country any questions which it considers relevant, and may verify the information received with the requesting country or with any other relevant sources, including the European Parliament and representatives of civil society such as the social partners.”

(b) In paragraph 3, the full stop at the end of point (b) is replaced by a semicolon, and the following is added after point (b):

or

(c) by 15 December 2011, for a request under Article 9(1)(a)(iii),

or

(d) by 15 June 2013 for a request under Article 9(1)(a)(iv).”

Text proposed by the Commission

Amendment

(4a) A new article is inserted after Article 10:

Article 10a

"The Commission shall inform the European Parliament of the outcome of all Sustainable Impact Assessments carried out under the GSP.";

Amendment 5

Proposal for a regulation– amending act

Article 1 - point 4 b (new)

Regulation (EC) No 732/2008

Article 17 – paragraph-1 (new)

Text proposed by the Commission

Amendment

(4b) In Article 17, a new paragraph is inserted before point 1:

"-1. The Commission shall regularly check that the commitments of beneficiary countries are being honoured and that none of the reasons set out in Article 15(1) and (2) and Article 16 (1) and (2) for the temporary withdrawal of preferential arrangements applies. It shall publish an annual report on temporary withdrawals and send it to the Council, the European Parliament and the Member States."

Amendment 6

Proposal for a regulation– amending act

Article 1 - point 4 c (new)

Regulation (EC) No 732/2008

Article 18 - paragraph 3

Text proposed by the Commission

Amendment

(4c) Article 18 (3) is amended as follows:

"3. The Commission shall seek all

information it considers necessary, including the available assessments, comments, decisions, recommendations and conclusions of the *other European institutions and of the relevant supervisory bodies of the UN, the ILO and other competent international organisations*. These shall serve as the *starting point* for the investigation into whether temporary withdrawal is justified for the reason referred to in Article 15(1)(a). The Commission may verify the information received with economic operators, *civil society actors, beneficiary country parliaments and the beneficiary country concerned.*"

Amendment 7

Proposal for a regulation – amending act

Article 1 - point 4 a (new)

Regulation (EC) No 732/2008

Article 18 - paragraph 3

Text proposed by the Commission

Amendment

(4a) Article 18(3) is replaced by the following:

“3. The Commission shall seek all information it considers necessary, including the available assessments, comments, decisions, recommendations and conclusions of the relevant supervisory bodies of the UN, the ILO and other competent international organisations. *These submissions shall be made public, in the interests of transparency, and shall serve as the starting point* for the investigation into whether temporary withdrawal is justified for the reason referred to in Article 15(1)(a). The Commission may verify the information received with economic operators and the beneficiary country concerned.”

Amendment 8

Proposal for a regulation– amending act

Article 1 – point 4 a (new)

Regulation (EC) No 732/2008

Article 19 - paragraph 1

Text proposed by the Commission

Amendment

(4a) Article 19(1) is replaced by the following:

“1. The Commission shall submit a report on its findings to the Committee referred to in Article 27 and to the European Parliament.”

Amendment 9

Proposal for a regulation– amending act

Article 1 – point 4 b (new)

Regulation (EC) No 732/2008

Article 19 - paragraph 4

Text proposed by the Commission

Amendment

(4b) Article 19(4) is replaced by the following:

“4. Where the Commission considers temporary withdrawal to be necessary, it shall submit - *after having informed the European Parliament* - an appropriate proposal to the Council which shall decide *on it* within two months by a qualified majority. In the case referred to in paragraph 3, the Commission shall submit its proposal at the end of the period referred to in that paragraph.”

Amendment 10

Proposal for a regulation– amending act

Article 1 – point 4 c (new)

Regulation (EC) No 732/2008

Article 20 - paragraph 7

Text proposed by the Commission

Amendment

(4c) Article 20(7) is replaced by the following:

“7. Where exceptional circumstances requiring immediate action make an investigation impossible, the Commission may, after informing the Committee referred to in Article 27 and the European Parliament, take any preventive measure which is strictly necessary.”

Amendment 11

Proposal for a regulation– amending act

Article 1 – point 4 d (new)

Regulation (EC) No 732/2008

Article 22 - paragraph 1

Text proposed by the Commission

Amendment

(4d) Article 22(1) is replaced by the following:

“1. The Commission shall inform the beneficiary country concerned as soon as possible of any decision taken in accordance with Article 20 or 21 before it becomes effective. *The Commission shall also notify the Council, the European Parliament and the Member States thereof.*”

PROCEDURE

Title	Amendment to Council Regulation (EC) No 732/2008 applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011
References	COM(2010)0142 – C7-0135/2010 – 2010/0140(COD)
Committee responsible	INTA
Opinion by Date announced in plenary	DEVE 15.6.2010
Rapporteur Date appointed	Eva Joly 22.6.2010
Date adopted	9.11.2010
Result of final vote	+ : 20 - : 0 0 : 0
Members present for the final vote	Thijs Berman, Corina Crețu, Nirj Deva, Charles Goerens, Catherine Grèze, András Gyürk, Eva Joly, Filip Kaczmarek, Gay Mitchell, Norbert Neuser, Bill Newton Dunn, Maurice Ponga, Birgit Schnieber-Jastram, Michèle Striffler, Alf Svensson, Eleni Theocharous, Ivo Vajgl, Anna Záborská, Iva Zanicchi
Substitute(s) present for the final vote	Judith Sargentini