

WRITTEN QUESTION E-3932/08  
by Godelieve Quisthoudt-Rowohl (PPE-DE)  
to the Commission

Subject:           Classifying Russia as a GSP country

According to the Commission, the Generalised System of Preferences (GSP) is intended to focus on the neediest countries. How, then, can continuing GSP support for ambitious emerging market economies such as China and Russia be justified?

The aim of the graduation mechanism is to exclude countries from the GSP, or reintegrate them, sector by sector, on the basis of market share development. Development of market share is a country's indicator or need. The graduation mechanism does not take account of the fact that an industrial sector in a country can lose market share, without a decline in its exports to the EU, because other competitors have become even stronger. In such instances the GSP, through the graduation mechanism intervenes in normal competition processes despite the absence of a development policy dimension. Consequently, on a case-by-case basis, the graduation mechanism ought to be constantly verified for relevance to the actual economic situation. How does the Commission view this problem? Does the Commission agree that it would be desirable to apply the graduation mechanism flexibly in such cases? How flexibly does the Commission apply the graduation mechanism? Does the Commission consider that the leeway for applying the graduation mechanism is sufficient to respond appropriately to such cases?

The EU is developing a non-energy commodity supply strategy. Many developing countries are restricting exports of commodities or are distorting international commodity trade through subsidies. Accordingly, consideration should be given to excluding those countries from the GSP until they end trade-distorting practices. Is thought being given at the Commission extending the GSP to include this commodity dimension?