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## EUROCOTON'S PRELIMINARY VIEWS ON A NEW GENERALISED SCHEME OF PREFERENCES FROM 2024 ONWARDS

The EU's Generalised Scheme of Preferences (GSP) is a trade arrangement through which developing countries enjoy a preferential access to the EU as most of the goods of origin of these countries benefit from reduced import tariffs when entering the European market.

As the current GSP-scheme – with the exception of the special arrangement for least developed countries for which the end date does not apply – will end on 31 December 2023, EUROCCOTON herewith presents its preliminary views on how the new GSP-regulation could be improved.

- In order to maximise the beneficial effects of the unilateral trade preferences of the GSP-scheme for the developing countries most in need, the **number of beneficiary countries** of the scheme should be **further reduced**.
- The GSP should be used **more to promote the respect of human rights, labour and environmental standards and intellectual property rights as well as good governance**, to which the EU rightfully attaches much importance. All countries benefiting from the GSP, with the exception of the least developed ones, should effectively implement some international core conventions on all of these issues. The ratification of these agreements can be a first step in ensuring its implementation but EUROCCOTON insists on the fact that ratification in itself is not enough. What is important, and therefore should be the benchmark, is the **effective implementation of the conventions on the ground**. Failure to effectively implement these conventions should not be tolerated. The **role of the European Parliament** in the monitoring of the respect on the ground of the said conventions by the countries benefiting of the GSP as well as in the initiation of the procedure to withdraw the preferential access to the EU-market because of failure to respect these conventions **should be increased**.
- The **automatic safeguard clause for textiles and clothing** should be **improved so that** it becomes **an efficient and effective instrument** in protecting the European textile industry against disproportionate increases in imports coming from a country benefiting from the GSP. The clause should **also apply to** countries benefiting from the **Everything But Arms (EBA)-regime** and the **threshold for its application** should be **reduced just as the percentages that need to be reached for the safeguard mechanism to become active**.
- With regard to the **graduation mechanism**, EUROCCOTON is of the opinion that this mechanism should **apply to all countries benefiting from the GSP**, including the least developed ones, and not only – as is the case in the current system – to the beneficiaries of the general arrangement. No preferences should be granted to imports that are already competitive on the European market without preferences.
- As far as the **regional cumulation possibility** is concerned, EUROCCOTON is of the opinion that cumulation with a beneficiary country of the same regional group should not be possible for those products for which the latter has been graduated. If a beneficiary country has been

graduated for certain products, this means that it has become competitive for those products. Consequently, those products rightfully can no longer benefit, when they are exported directly to the EU, from a preferential access to the EU. They should however also no longer indirectly – when they are further processed in another GSP-beneficiary country of the same regional group – benefit from a preferential access to the EU.

- **Countries** that have **concluded a free trade agreement with the EU** should immediately **from the date of the entering into force** of this agreement, be **removed** of the list of the GSP-beneficiary countries. Furthermore, a **country** that is **no longer** identified by the UN as a **least developed country**, should be **removed one year later** from the **list of EBA beneficiary countries**.

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*About EUROCOTON:*

*EUROCOTON represents the European textile manufacturing industry of cotton and man-made staple fibres, starting from the cotton ginning, over the manufacturing of yarns and fabrics of cotton and other man-made staples fibres. These yarns and fabrics are mostly used in the garment industry, for home textiles or for technical applications. We have members from the following EU-member states: Austria, Belgium, France, Germany, Greece, Italy, Poland, Slovenia and Spain. We urge for a favourable business climate for our industry and are in particular active on trade and industry topics where we advocate free but 'fair' trade.*