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COVER NOTE

from: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 30 October 2013

to: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European
Union

No Cion doc.: C(2013) 7167 final

Subject: Commission Delegated Regulation (EU) No .../.. of 30.10.2013 amending
Annexes I, II and IV of Regulation (EU) No 978/2012 applying a scheme of
generalised tariff preferences

Delegations will find attached Commission document C(2013) 7167 final.

Encl.: C(2013) 7167 final



Brussels, 30.10.2013
C(2013) 7167 final

COMMISSION DELEGATED REGULATION (EU) No .../..

of 30.10.2013

**amending Annexes I, II and IV of Regulation (EU) No 978/2012 applying a scheme of
generalised tariff preferences**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE DELEGATED ACT

By providing preferential access to the EU market, the EU generalised scheme of preferences (GSP) has assisted, since 1971, developing countries in their efforts to reduce poverty and promote good governance and sustainable development by helping them to generate additional revenue through international trade. The European Parliament and the Council Regulation (EU) No 978/2012 (GSP Regulation) focuses the GSP preferences on the countries most in need in order to better reflect the current global economic and trade landscape.

Article 3 of the GSP Regulation provides that a list of eligible countries should be amended to take account of changes in the international status or classification of countries. Croatia became a member of the European Union as of 1 July 2013. South Sudan has become an independent State and has been added to the list of Least Developed Countries. Accordingly, these changes should be reflected in the respective Annexes of the GSP Regulation.

Article 4(1)(a) of the GSP Regulation provides that a country which has been classified by the World Bank as a high or an upper-middle income country for three consecutive years shall not benefit from the GSP general arrangement. China, Ecuador, Maldives and Thailand were classified by the World Bank as upper-middle income countries in 2011, 2012 and 2013. Accordingly, they no longer fulfil the criteria to benefit from the GSP general arrangement and this needs to be reflected in the annexes.

The Maldives is no longer included in the list of Least Developed Countries and Commission Regulation (EU) No 1127/2010 provides for the removal of the Maldives from the list of EBA beneficiary countries as of 1 January 2014.

Regulation (EU) No 607/2013 repealed the temporary withdrawal of Myanmar/Burma's access to the GSP tariff preferences. Accordingly, the respective Annexes of the GSP Regulation should be amended to allow Myanmar/Burma to benefit from GSP preferences.

2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT

The Commission used detailed statistics provided by the World Bank on the classification of economies by gross national income (GNI) per capita.

In line with paragraph 4 of the Common Understanding on delegated acts between the European Parliament, the Council and the European Commission, appropriate and transparent consultations, including at expert level, have been carried out on this delegated act. The Commission Expert Group on the Generalised Scheme of Preferences was consulted in a meeting held on 28 June 2013 and via electronic communication during the months of June and July 2013.

3. LEGAL ELEMENTS OF THE DELEGATED ACT

Articles 3(2), 5(3) and 17(2) of the GSP Regulation empowers the Commission to adopt delegated acts to amend its Annexes I, II and IV respectively.

The proposed amendment will amend these Annexes as follows.

Croatia will be removed from Annex I.

South Sudan will be included in Annex I, Annex II and Annex IV.

China, Ecuador and Thailand will be removed from Annex II.

The Maldives will be removed from Annex II and Annex IV.

Burma/Myanmar will be removed from the table of Annex I *‘Eligible countries of the scheme referred to in Article 3 which have been temporarily withdrawn from the scheme, in respect of all or of certain products originating in these countries’*, from the table of Annex II *‘Beneficiary countries of the general arrangement referred to in point (a) of Article 1(2) which have been temporarily withdrawn from that arrangement, in respect of all or of certain products originating in these countries’* and the table of Annex IV *‘Beneficiary countries of the special arrangement for the least-developed countries referred to in point (c) of Article 1(2) which have been temporarily withdrawn from that arrangement, in respect of all or of certain products originating in these countries’*.

In order to ensure transparency for operators, Annexes I, II and IV of the GSP Regulation are replaced by new updated Annexes.

COMMISSION DELEGATED REGULATION (EU) No .../..

of 30.10.2013

amending Annexes I, II and IV of Regulation (EU) No 978/2012 applying a scheme of generalised tariff preferences

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the European Parliament and Council Regulation (EU) No 978/2012 of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation (EC) No 732/2008¹, and in particular Articles 3(2), 5(3) and 17(2) thereof,

Whereas:

- (1) Article 3 of Regulation (EU) No 978/2012 provides that a list of eligible countries should be amended to take account of changes in the international status or classification of countries. The list of eligible countries is established in Annex I to that Regulation.
- (2) Article 4 of Regulation (EU) No 978/2012 establishes criteria for the granting of tariff preferences under the general arrangement of the Generalised Scheme of Preferences (GSP). In accordance with such criteria, a country that has been classified by the World Bank as a high or an upper-middle income country for three consecutive years should not benefit from such preferences. The list of beneficiary countries of the general arrangement of the GSP is established in Annex II to that Regulation.
- (3) Article 17(1) of Regulation (EU) No 978/2012 provides that a country, which is identified by the UN as a least-developed country should benefit from the tariff preferences under the special arrangement for the least-developed countries (EBA). The list of EBA beneficiary countries is established in Annex IV to that Regulation.
- (4) The Republic of Croatia (hereinafter Croatia) became a member of the European Union as of 1 July 2013. Therefore, Croatia should be removed from Annex I.
- (5) The Republic of South Sudan (hereinafter South Sudan) has become an independent State. On 14 July 2011, the General Assembly of United Nations adopted Resolution A/RES/65/308 admitting South Sudan to membership in the United Nations. On 18 December 2012, the General Assembly of United Nations adopted Resolution A/RES/67/136 adding South Sudan to the list of Least Developed Countries. Therefore, South Sudan should be included in Annex I, Annex II and Annex IV.
- (6) Regulation (EU) No 607/2013 of the European Parliament and of the Council of 12 June 2013 repealing Council Regulation (EC) No 552/97 temporarily withdrawing access to generalised tariff preferences from Myanmar/Burma² repealed the temporary withdrawal of Myanmar/Burma's access to the Generalised Scheme of Preferences (GSP) tariff preferences. Therefore, Myanmar/Burma should be removed from the table in Annex I, which lists the 'Eligible countries of the scheme referred to in Article

¹ OJ L 303, 31.10.2012, p. 1.

² OJ L 181, 29.6.2013, p. 13.

3 which have been temporarily withdrawn from the scheme, in respect of all or of certain products originating in these countries’, from the table in Annex II which lists the ‘Beneficiary countries of the general arrangement referred to in point (a) of Article 1(2) which have been temporarily withdrawn from that arrangement, in respect of all or of certain products originating in these countries’ and from the table in Annex IV, which lists the ‘Beneficiary countries of the special arrangement for the least-developed countries referred to in point (c) of Article 1(2) which have been temporarily withdrawn from that arrangement, in respect of all or of certain products originating in these countries’.

- (7) The People’s Republic of China (hereinafter China), the Republic of Ecuador (hereinafter Ecuador), the Republic of Maldives (hereinafter Maldives) and the Kingdom of Thailand (hereinafter Thailand) have been classified by the World Bank as upper-middle income countries in 2011, 2012 and 2013. Accordingly, China, Ecuador, Maldives and Thailand should be removed from Annex II as from one year after the date of entry into force of this Regulation.
- (8) Commission Regulation (EU) No 1127/2010³ establishes a three year transitional period for withdrawing the Maldives from the special arrangement for the least-developed countries (Everything But Arms (EBA)) and provides for the removal of the Maldives from the list of EBA beneficiary countries as of 1 January 2014. Therefore, Maldives should be removed from Annex IV.
- (9) Article 5(2) of the GSP Regulation provides a GSP beneficiary country and economic operators with time for orderly adaptation to the change in the country’s status under the scheme. This period should be indicated for each GSP beneficiary country concerned in the respective Annex of Regulation (EU) No 978/2012,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 978/2012 is amended as follows:

Annexes I, II and IV to Regulation (EU) No 978/2012 are replaced by the Annexes to this Regulation.

- (1) Annex I is replaced by the text set out in Annex I to this Regulation.
- (2) Annex II is replaced by the text set out in Annex II to this Regulation.
- (3) Annex IV is replaced by the text set out in Annex III to this Regulation.

Article 2

This Regulation shall enter into force on 1 January 2014.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

³ Commission Regulation (EU) No 1127/2010 of 3 December 2010 establishing a transitional period for withdrawing the Republic of Maldives from the list of beneficiary countries of the special arrangement for least developed countries, as set out in Council Regulation (EC) No 732/2008 applying a scheme of generalised tariff preferences for the period from 1 January 2009 to 31 December 2011 (OJ L 318, 4.12.2010, p. 15).

Done at Brussels, 30.10.2013

For the Commission
The President
José Manuel BARROSO