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HIGH REPRESENTATIVE
OF THE UNION FOR
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JOINT REPORT TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

Report on the Generalised Scheme of Preferences covering the period 2018-2019

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1. INTRODUCTION

Through its Generalised Scheme of Preferences (GSP)[i] the EU unilaterally supports developing countries to achieve sustainable development through trade. Trade preferences promote universal values of human rights, core labour standards, environmental protection and good governance.

This **third biennial report on GSP is accompanied by ten Joint (European Commission and High Representative of the Union for Foreign Affairs and Security) Staff Working Documents.** These provide the assessment of the performance of nine beneficiaries of the GSP+ arrangement and of three beneficiaries of the Everything But Arms (EBA) arrangement under enhanced engagement.

This report specifically covers:

1. The **extent to which beneficiary countries take advantage** of the scheme.
2. A number of **overarching themes**, including death penalty, civil society space, child labour and environment.
3. **Partnerships**: examples of how the EU works with partners to make GSP more effective.

The report is based on EU monitoring missions, the midterm evaluation of GSP[ii], EU engagement with partner countries (including human rights dialogues), international organisations, civil society and industry. A dedicated civil society dialogue took place on 16 July 2019[iii].

2. HIGHLIGHTS

GSP beneficiaries are advancing. In the period 2018-2019, several countries graduated out of the scheme due to reaching upper middle-income economy status. In addition, EU's **successful negotiating agenda** contributed to countries leaving GSP due to entering bilateral preferential arrangements with the EU. At the end of 2019, there were **71 beneficiaries**, i.e. 11 less than in the last report.

Regarding the impact of preferences, **GSP has become more important**, in absolute and relative numbers. Despite the falling number of beneficiaries, value of imports to the EU from GSP countries grew by 16.2% i.e. from €158 billion in 2016 to €183.6 billion in 2018 (overall EU imports increased by 13.3%). Of these, €68.9 billion were imported using GSP.

GSP is **especially important for the poorest countries**: the share of Least Developed Countries (LDCs) in EU's overall imports reached 2.2% in 2018, more than double that of LDC share in world imports (0.98% in 2017[iv]). EBA beneficiaries saw an increase of 15.3% of their preferential exports to the EU.

The value of preferential imports from **African GSP beneficiary countries** to the EU has increased by 17.2% and reached €3.3 billion. **Mauritania** increased its GSP exports by 62% and **Senegal** by 44%. Yet, the share of African GSP imports to the EU remains relatively low, accounting for less than 5%, despite the fact that **38 out of 71 beneficiaries are from Africa.** The most prominent sectors benefitting from GSP are garments, where other countries tend to be more competitive. As GSP offers opportunities in many other sectors (such as processed food), more advantage could be taken. The lack of awareness of the scheme and factors restricting export capacities of African companies play a role too.

Utilisation of trade preferences under GSP has gone up to 81.8% in 2018 (78.8% in 2016). For EBA, this was 93.4%. Benefits taken are largely in the garment sector, as export diversification remains a challenge.

EU importers and industry present in the GSP beneficiary countries support the sustainable development agenda and can play a positive role, notably in promoting labour reforms and occupational health and safety. Exporting industries, for instance in **Pakistan, Bangladesh, Myanmar, and Sri Lanka** are keen to meet international standards. This is a direct result of (European) buyers insisting on responsible supply chains, and has a broader impact on the countries.

GSP+ beneficiaries have made **progress in effective implementation of the 27 international conventions listed in the arrangement. They have also taken additional commitments**. All GSP+ countries have signed the **Paris Agreement**, sometimes responding to requests from GSP+ monitoring missions (**Philippines**). **Armenia** signed the Second Optional Protocol to the UN International Covenant on Civil and Political Rights (ICCPR), effectively abolishing the death penalty, and to the Convention on the Rights of Persons with Disabilities (CRPD).

On **child labour**, **Mongolia** agreed to conduct a child labour survey following a recent monitoring mission. A countrywide survey on child labour is carried out in **Pakistan**. **Sri Lanka** was able to bring child labour down from 16% to 1%, n, through pioneering 'Child Labour Free Zones'. Meanwhile, **Bolivia** raised the minimum age for work to the international minimum standard of 14 years. **Cabo Verde** made progress in criminalising the use and facilitation of minors for prostitution and sexual exploitation. **Paraguay** adopted a national strategy to eradicate child labour by 2024.

Beneficiaries maintain commitments also after they have left GSP. For example, in 2019 **Paraguay** issued – after it exited from GSP - its voluntary mid-term report on the implementation of the recommendations of the Universal Periodic Review of the UN Human Rights Council.

In some countries, **commitments are taken before they apply for GSP+**: on 14 October 2019, **Uzbekistan** adopted a law on accession to the Cartagena Biosafety Protocol, as part of its agenda to apply for GSP+.

Yet, **challenges related to compliance with GSP requirements remain**: civil society space is shrinking, notably in **Pakistan and the Philippines**. Calls for (implementation of) capital punishment have become louder, including in **Sri Lanka, Mongolia and the Philippines**. Most beneficiaries face challenges when it comes to **freedom of association**.

Countries that are **unwilling to address and engage on issues of concern are being scrutinised**. Through enhanced engagement, the EU intensified the dialogue with **Bangladesh, Cambodia and Myanmar** to press for concrete actions on and sustainable solutions to serious shortcomings in respecting fundamental human and labour rights.

Engagement with each of the countries follows a different track:

The engagement with **Bangladesh** focuses on compliance with ILO Conventions. During an EU monitoring mission in October 2019, the authorities of Bangladesh agreed to develop a roadmap with timelines aiming to improving labour rights, notably the alignment of the Bangladesh Labour Act and the Export Processing Zone-Act.

With regard to **Myanmar,** concerns related to human and labour rights were discussed during high level monitoring missions in October 2018 and February 2019. Discussions continued during the first ever EU-Myanmar Senior Officials Meeting in May 2019 and the EU-Myanmar human rights dialogue co-chaired by the EU Special Representative for Human Rights in June 2019.

Lack of results in **Cambodia** on human and labour rights led to the launch of the procedure for temporary withdrawal of tariff preferences.

3. DEVELOPMENTS SINCE THE LAST REPORT

The Generalized Scheme of Preferences consists of **three arrangements**:

Under the **general GSP arrangement** the EU grants tariff **reductions** for products covered by around 66% of tariff lines and originating from low-income or lower-middle income countries, which do not benefit from other preferential access to the EU market.

For countries benefiting from the **special incentive arrangement for sustainable development and good governance** (**GSP+**) the EU **eliminates** tariffs for products covered essentially by the same tariff lines.

Under the **Everything But Arms** (**EBA**) arrangement, the EU grants duty-free, quota-free access for all imported products except arms and ammunition from countries classified by the UN as Least Developed Countries (LDCs). Beneficiaries do not lose EBA status by entering into a free trade agreement (FTA) with the EU.

3.1. Legislative updates

The European Commission adopted a number of legal acts related to the Regulation:

- **Product graduation**: Commission Regulation of 12 February 2019 suspended tariff preferences for a number of products for the period of 2020-2022 for three beneficiary countries: **India, Indonesia and Kenya**[v]**.**
- **Removal of from the list of GSP beneficiaries:** v GSP status was withdrawn from countries which reached upper middle income economy status for three consecutive years: **Cameroon, Fiji, Georgia, Iraq, Marshall Islands and Tonga**[vi] (1 January 2017) and **Paraguay**[vii] (1 January 2019);
- Several countries lost beneficiary status due to entering into a **preferential trade agreement** with the EU: **Cote d'Ivoire, Ghana, and Swaziland** (1 January 2019). **Georgia** (1 January 2017)[viii] and **Ukraine** (1 January 2018)[ix].

Some countries lost their EBA preferences because of graduation from LDC status: **Samoa** (1 January 2019)[x] and **Equatorial Guinea** (1 January 2021)[xi] (in each case after 3-year transition period from the date graduation).

Other legal acts related to the GSP Regulation:

- Commission Implementing Regulation of 16 January 2019[xii] imposing **safeguard measures** with regard to imports of Indica rice originating in **Cambodia and Myanmar/Burma;**
- Commission Implementing Decision of 11 February 2019 initiating the procedure for **temporary withdrawal of the tariff preferences provided for Cambodia**[xiii].

3.2. Upcoming amendments

GSP beneficiary countries that are classified by the World Bank as upper middle-income economies, during three consecutive years, lose their GSP beneficiary status. Accordingly, **Nauru, Samoa and Tonga** will be removed from the list of beneficiary countries from 1 January 2021.

Other countries were classified as Upper Middle Income Countries since 2018 (**Armenia**) and 2019 (**Sri Lanka**). **Vietnam** will lose GSP-beneficiary status two years following the upcoming entry into force of the FTA with the EU. However, operators will be able to use the GSP duties if these are more favourable.

Meanwhile, a number of LDCs are scheduled to graduate. This means removal from the list of countries benefiting from EBA following a transition period of three years. Following this, they could apply for GSP+, if conditions are met, or benefit from the general GSP arrangement. In 2023, **Bhutan** will graduate; to be followed by **São Tomé and Principe; and Solomon Islands** in 2024. A date for the graduation of **Tuvalu and Kiribati** will be fixed in 2021. **Bangladesh, Lao People's Democratic Republic, Myanmar, Nepal and Timor-Leste** could be recommended for graduation the same year.

Two countries, which benefit from the general GSP (**Tajikistan and Uzbekistan**), have expressed an interest in joining the GSP+ arrangement.

3.3. Future GSP regulation

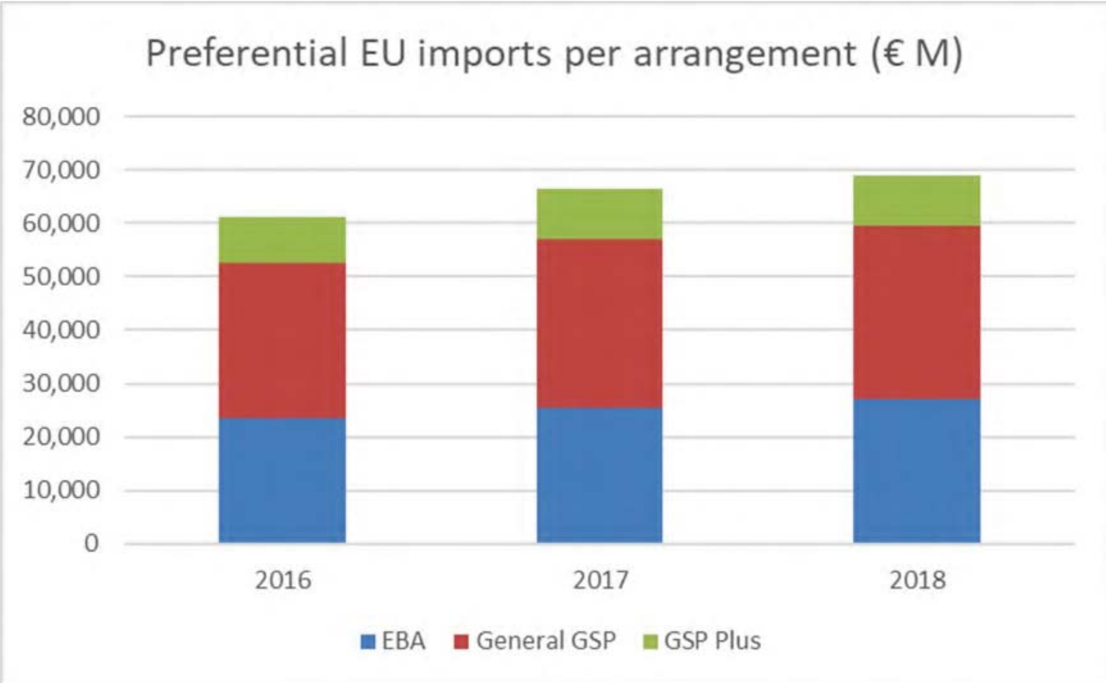
The current GSP Regulation will expire on 31 December 2023. In order to allow economic operators and beneficiaries to adapt to a new regulation, the Commission has launched the preparations for the new regulation. It is intended that the new regulation will continue to pursue the same policy of fostering sustainable economic, social and environmental development of beneficiary countries, including the respect for good governance and human rights, with the primary goal of eradicating poverty. Public consultations will be undertaken in 2020.

The European Parliament adopted a non-legislative resolution on the implementation of the GSP Regulation on 14 March 2019[xiv]. The European Parliament acknowledges the positive impact of the GSP Regulation and makes a number of recommendations in view of the preparation of the future GSP regulation. In particular, the future regulation should encourage diversification, place more emphasis on improving environmental standards and enhance monitoring

4. GSP IS WORKING: ECONOMIC BENEFITS FOR DEVELOPING COUNTRIES

In the reporting period 2018-2019, despite the lower number of GSP beneficiaries, the overall value of EU imports from GSP countries went up considerably from €61.3 billion in 2016 to €68.9 billion in 2018. €32.3 billion came from the countries benefitting from the general GSP arrangement, around €9.5 billion from GSP+ beneficiaries and €27.1 billion from EBA countries[xv].

Figure 1. Value of imports to the EU under the three GSP arrangements



Looking at **total EU imports** (including non-preferential) in the years 2016-2018, imports from GSP beneficiaries increased by 16.2%. EBA countries saw their exports to the EU grow by 9.9%, GSP+ beneficiaries by 13.4%, and general GSP arrangement by 18.8%. **India** is the GSP beneficiary with the largest share of overall imports (including non-preferential), followed by **Vietnam**, **Nigeria**, **Bangladesh** and **Indonesia**.

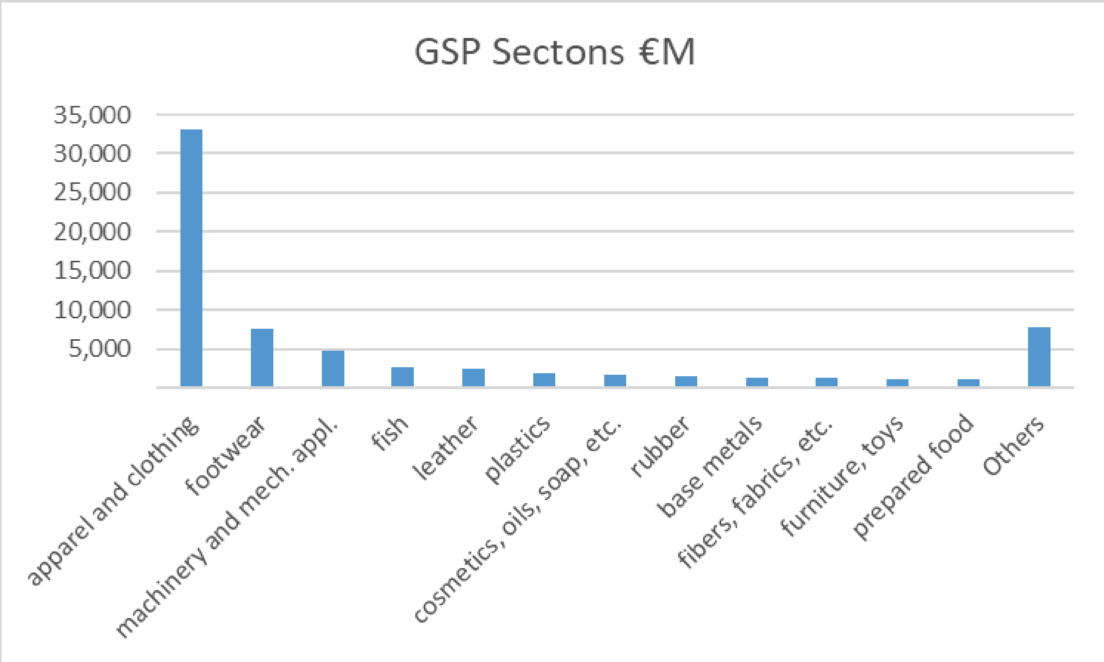
If considering only **preferential imports**, **Bangladesh** has become the EU's number one GSP partner closely followed by **India, Indonesia, Vietnam and Pakistan**.

Table 1. Value of EU's GSP imports from major beneficiaries (million €) and their % share in overall imports and total EU GSP imports in 2018

GSP Beneficiary country	Imports under GSP (€ M)	Overall imports to EU (€ M)	Share of country's GSP in its imports to EU	Share of country's GSP in total GSP imports to EU	% of imports as share of total EU M
Bangladesh	16,776	17,401	96.4%	24.4%	0.96%
India	16,378	43,601	37.6%	23.8%	2.41%
Vietnam	8,994	37,531	24.0%	13.1%	2.07%
Indonesia	6,616	15,557	42.5%	9.6%	0.86%
Pakistan	5,885	6,740	87.3%	8.5%	0.37%
Cambodia	4,987	5,255	94.9%	7.2%	0.29%
Myanmar	1,926	2,189	88.0%	2.8%	0.12%
Philippines	1,915	7,490	25.6%	2.8%	0.41%
Sri Lanka	1,365	2,755	49.5%	2.0%	0.15%
Mozambique	1,219	1,840	66.3%	1.8%	0.10%
Senegal	367	543	67.6%	0.5%	0.03%
Mauritania	353	523	67.4%	0.5%	0.03%
Malawi	260	301	86.6%	0.4%	0.02%
Tanzania	256	473	54.2%	0.4%	0.03%
Ethiopia	236	642	36.8%	0.3%	0.04%
Laos	182	251	72.6%	0.3%	0.01%
Uganda	131	471	27.9%	0.2%	0.03%
Nigeria	115	18,715	0.6%	0.2%	1.03%

In terms of product **sections**, the majority of imports under GSP (47.9% of €33 billion) remains in **apparel and clothing**, followed by **footwear** (11%), **mechanical appliances** (7%), **fish products** (4%), **leather** (3.7%) and **plastics** (2.7%) – see Figure 2.

Figure 2. Main product sections in EU's GSP imports in 2018



4.1. Midterm evaluation: GSP is effective

in 2018, the Commission submitted its report on the application of the GSP Regulation to the European Parliament and the Council[xvi]. This midterm evaluation shows that EU's GSP is delivering: it succeeded in focusing preferences on countries most in need and contributed to their sustainable development. The effectiveness of the EU's GSP has increased as a result of the monitoring mechanism, which has led to improvements in human and labour rights. In the textile and clothing sector, preferential exports under EBA had a positive impact on business and job creation.

Some recommendations and follow-up from the midterm evaluation

- *With regard to increased transparency*: the Commission is considering a number of practical actions to improve GSP+ monitoring and to further civil society involvement and raise awareness for businesses and civil society organisations, including social partners.
- *To use the safeguard provisions in the GSP Regulation*: In 2019 the EU imposed safeguard measures with regard to Indica rice originating in Cambodia and Myanmar following investigation as set out in the GSP regulation
- *To initiate withdrawal procedures when severe and systematic violations are reported by relevant monitoring bodies*: on 11 February 2019, the Commission launched the temporary withdrawal procedure regarding the tariff preferences provided to Cambodia.
- *To further enhance cooperation with development partners, also to attract more investment in LDCs*.

5. GSP IS CONTRIBUTING TO SUSTAINABLE DEVELOPMENT

With regard to labour and human rights, the mid-term evaluation found effectiveness of GSP+ in creating leverage through both the GSP+ monitoring mechanism and through the prospect of accession (for applicant countries). The higher frequency and improved scope of the monitoring of GSP+ compliance has increased the EU leverage.

During the 2018-2019 reporting period, the European Commission services and the European External Action Service (EEAS) conducted monitoring missions in **Armenia, Bolivia, Kyrgyzstan, Mongolia, Pakistan, the Philippines, and Sri Lanka, Cambodia, Bangladesh and Myanmar**. Besides the impact the GSP has on job creation, for which estimates vary between 500,000 in Myanmar and 5 million in Bangladesh, the engagement also meant more attention for labour standards, human rights and in the case of GSP+ - environment and good governance.

In terms of children's rights, there is progress: In **Mongolia** child rights protection acts were adopted and budgets increased substantially. **Paraguay** made efforts to promote and protect the rights of children. In **Sri Lanka**, child labour was brought down to 1%. In **Bolivia,** the minimum age for work was brought in line with ILO standards. In **Pakistan,** the government agreed to child labour surveys. **Cabo Verde** made important progress in criminalising sexual exploitation of minors.

Potential backtracking on human rights is addressed. Calls to re-introduce the **death penalty** are worrisome. Most concerning is a renewed call for a vote on a bill on the death penalty in the **Philippines**. Such a bill would go against the commitments the **Philippines** made under the Second Optional Protocol to the ICCPR. In **Sri Lanka**, statements to the effect that executions would be resumed are a cause for concern. Still, the picture is not only bleak: for instance, during a recent GSP+ mission, government officials in Sri Lanka were confident that the de facto moratorium would stand. **Mongolia's** own assessment concluded that the re-introduction of the death penalty would be incompatible with its international obligations. This assessment helped to counter plans for a re-introduction of the death penalty. Finally, **Pakistan** is debating whether to narrow down the number of crimes punishable with the death penalty and it has meanwhile substantially reduced the number of executions and reformed the procedure for mercy petitions.

In some countries, **civil society space is shrinking**. In **Pakistan,** a number of international NGOs are being expelled, with implications on the freedoms of those organisations still in the country. Freedom of expression including through the media is under threat. In **Bolivia**, verbal and physical violence against human rights defenders and journalists are reported, as well as an increasing number of criminal proceedings being brought against them. With regard to the **Philippines**, there is serious concern about the death toll associated with the campaign against illegal drugs and the lack of effective, impartial and transparent investigations of all cases of death. Civil society space is also shrinking due to measures taken in the context of **the war on terrorism**. This has led to increased violence against members of civil society, human rights defenders, indigenous peoples, journalists, and lawyers. In **Cambodia**, over the last three years, there has been a deterioration of democracy, respect for human rights, and the rule of law, including shrinking space for political opposition, media and civil society.

Armenia, on the other hand, displayed notable improvements in freedom of expression and assembly during the 'Velvet Revolution' of 2018.

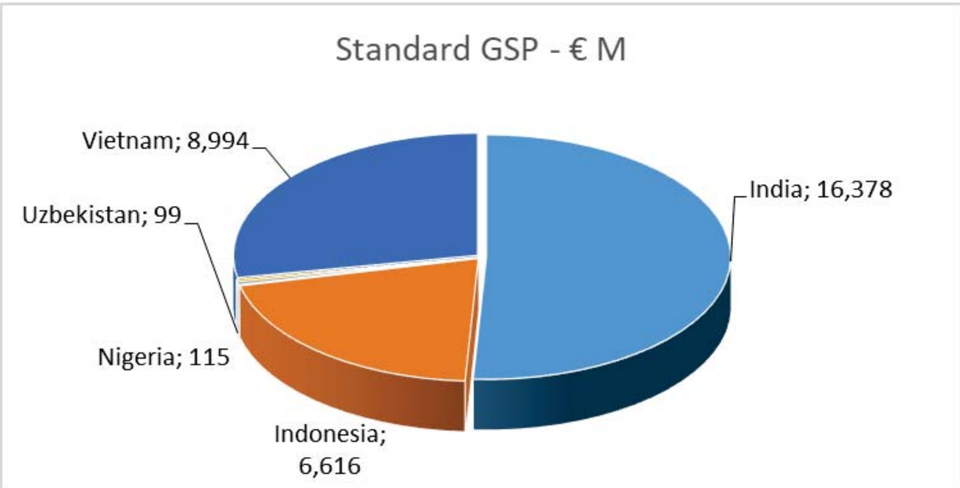
In the area of **labour rights**, concerns on **freedom of association** remain in **Sri Lanka, Pakistan, Bangladesh, and Myanmar**. In **Kyrgyzstan**, adoption of a draft Trade Union Law would drastically limit the independence of trade unions. The **Philippines** Congress passed a Security of Tenure bill to put an end to the abuse of 'contractualisation', which was vetoed by the President recently.

With regard to environment and climate change, countries have improved reporting (e.g. the Convention on International Trade in Endangered Species of Wild Fauna and Flora). All beneficiaries signed the **Paris Agreement and the Kigali Amendment to the Montreal Protocol**. Yet, arguably, more focus on environment in the monitoring could allow for a stronger impact. The post 2020 global framework on biodiversity – under the Convention on Biological Diversity - is expected to set stronger targets and review mechanisms on countries' progress and implementation.

6. General GSP arrangement

During the 2018-2019 reporting period, **Ghana, Ivory Coast and Swaziland** left GSP due to their FTAs with the EU, whereas one country joined (**Samoa),** due to graduation from LDC status, bringing the total of beneficiaries at 15 by the end of the period. The figure below shows the breakdown of preferential imports[xvii] under the general GSP arrangement in 2018.

Figure 3. Major beneficiaries of the general GSP arrangement in 2018 (EU imports in million €)



Despite GSP imports reducing slightly (from €16.6 billion in 2016 to €16.4 billion in 2018), **India remains the largest beneficiary** of the general GSP arrangement with 50.8% of all GSP imports to the EU, followed by **Vietnam** (27.9%) and **Indonesia** (20.5%). **Nigeria** and **Uzbekistan** follow in the top five, with marginal proportions (0.4% and 0.3% respectively).

Product graduation

Product graduation is meant as a removal of preferences from GSP beneficiaries for specific product sections based on the rationale that imports of those products no longer need EU preferences. It applies to the general GSP arrangement. New graduations apply from 1 January 2020 to 31 December 2022:

Table 2. Product graduation in the periods 2017-2019 and 2020-2022

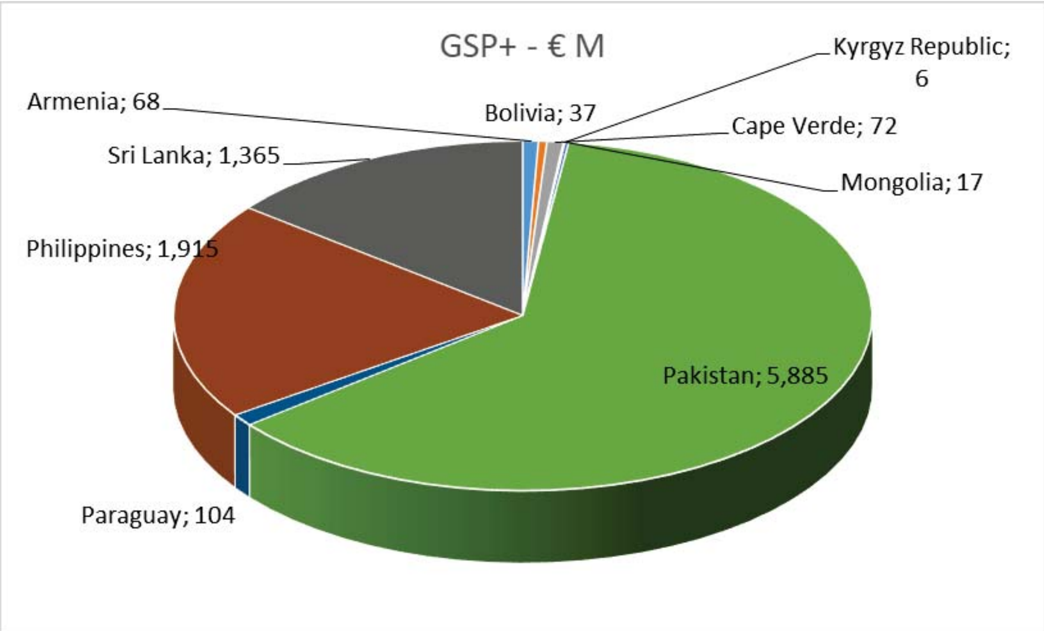
GSP beneficiary country	GSP section graduated until 31 December 2019	GSP section graduated from 1 January 2020	Product description
India	S-5		Mineral products
	S-6a	S-6a	Inorganic and organic chemicals
	S-11a	S-11a	Textiles
	S-14	S-14	Pearls and precious metals
	S-15a	S-15a	Iron, steel and articles of iron and steel
	S-15b	S-15b	Base metals (excl. iron and steel), articles of base metals (excl. articles of iron and steel)
		S-17a	Railway or tramway locomotives, rolling-stock
	S-17b	S-17b	Motor vehicles, bicycles, aircraft and spacecraft, ships and boats
Indonesia	S-1a	S-1a	Live animals and animal products excluding fish
	S-3	S-3	Animal or vegetable oils, fats and waxes
		S-5	Mineral products
		S-9a	Wood and articles of wood; wood charcoal
Kenya	S-2a	S-2a	Live plants and floricultural products
Ukraine	S-17a		Railway and tramway vehicles and products
	S-3		Animal or vegetable oils, fats and waxes

7. THE GSP+ ARRANGEMENT

The GSP+ arrangement is one of the EU's primary tools to promote sustainable development in vulnerable developing countries. Countries have to fulfill two additional sets of criteria: (i) vulnerability (consisting of imports share and economic diversification) and (ii) sustainable development. As concerns the latter, they have to ratify 27 core international conventions on human and labour rights, environmental protection and good governance. Moreover, countries must not have formulated reservations which are prohibited by these conventions; and the most recent conclusions of the monitoring bodies under those conventions must not identify any serious failure to effectively implement them. The 2018-2019 reporting period covers 9 GSP+ beneficiaries: **Armenia, Bolivia, Cabo Verde, Kyrgyzstan, Mongolia, Pakistan, Paraguay, the Philippines and Sri Lanka.**

Paraguay ceased to benefit from GSP+ on 1 January 2019, as it was classified as an upper-middle income country for three consecutive years. Figure 4 presents the value of preferential imports from GSP+ countries in 2018. The biggest share came from **Pakistan**, which accounted for 62.2% of all GSP+ imports to the EU (74% in 2018).

Figure 4. Major beneficieries of the GSP+ arrangement in 2018 (imports to the EU in million €)

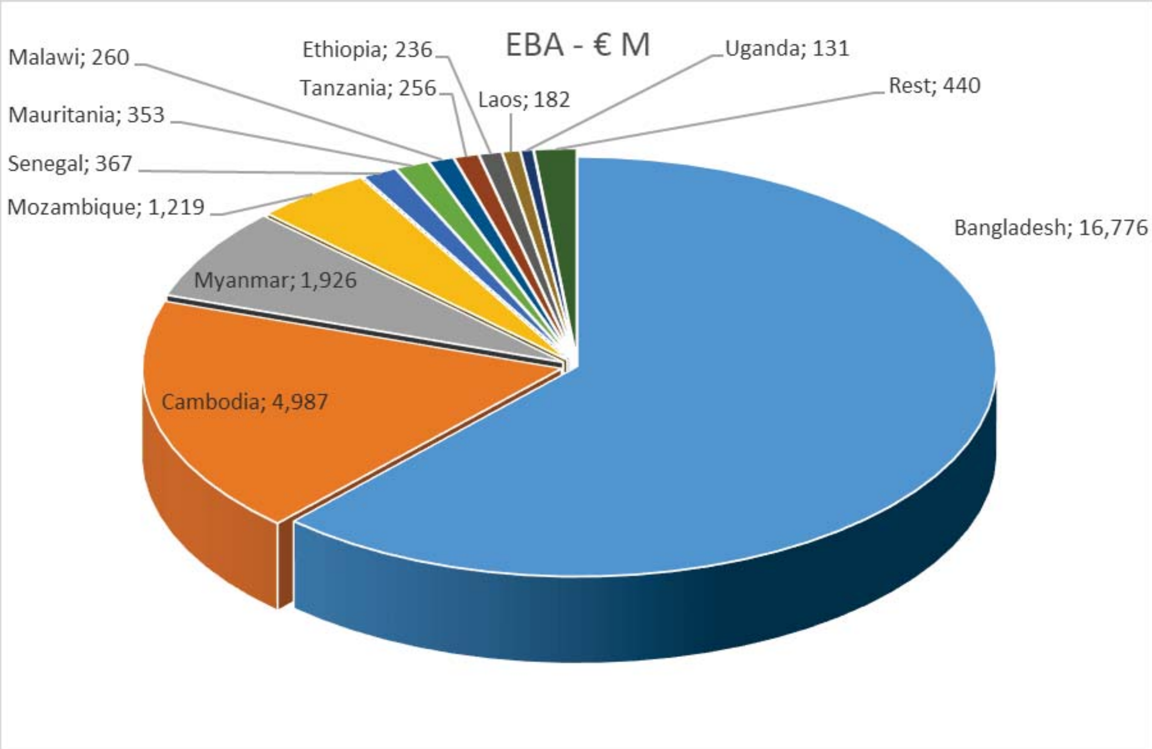


8. THE EVERYTHING BUT ARMS ARRANGEMENT

EBA is EU's flagship trade instrument designed to help the world's poorest and weakest countries, the LDCs. One country (**Samoa**) left the arrangement in 2019 due to graduation from LDC status in 2014, bringing the total to 48 beneficiaries

Figure 5 provides a breakdown of the value and percentage of preferential imports to the EU from EBA beneficiaries in 2018. The biggest share of imports under EBA came from **Bangladesh** (61.8%), followed by **Cambodia** (18.4%); and **Myanmar** (7.1%). In terms of overall GSP beneficiaries , **Bangladesh overtook India in 2018** (with €16.8 billion preferential imports against €16.4 billion from India).

Figure 5. Major beneficiaries of Everything But Arms arrangement in 2018 (EU imports in million €)



9. Partnership

GSP is more than a trade tool: the dialogue with the EU on effective implementation of international conventions supports the longer-term sustainable development of the countries concerned.

The EU is also providing financing for partners to help implement conventions and take more advantage of the benefits:

In **Mongolia**, products were identified that could be marketed to the EU using the GSP+ arrangement. EU budget support included – at the request of the government - a child labour survey. In **Sri Lanka,** EU helped to formulate a National Export Strategy**.** In the **Kyrgyz Republic**, EU technical assistance supported awareness of EU standards, procedures, and business models, increasing the rate of utilization of preferences. In **Armenia**, support to regional Civil Society Organizations helped produce evidence-based alternative reports to UN reporting. In **Cape Verde**, the EU supported the first Domestic Workers' Association. In **Bolivia**, the EU supported the set-up of a centre providing online pro bono legal counselling on political violence cases. In **Pakistan,** EU supported a project focused on enhancing the socio-economic rights of women working in agriculture in Punjab; 'SMART **Myanmar'** promotes sustainable consumption and production of garments. Through the Trade for Decent Work project, the EU works with the ILO to improve the application of ILO fundamental Conventions in **Bangladesh**.

10. CONCLUSION

EU's unilateral trade preferences help countries trade out of poverty, by creating a values-based economy: over 10% of EU imports comes from GSP beneficiary countries (including non-preferential imports). By making it easier to export to the EU, GSP attracts investment, supporting integration in global value chains. This creates jobs and income.

GSP brings incentives to invest in beneficiary countries. While the proportion of preferential imports in overall EU imports is limited – 3.8% in 2018 - it encouraged companies and governments to link business with sustainable development. Promoting good governance and human rights provides a more predictable business environment. In the garment industry, EU buyers are introducing new business models with high(er) environmental and labour standards. Those international values make companies more competitive.

GSP needs to stay relevant for development. Preferences are eroding due to trade deals. Ensuring coherence with other policies has become even more important, so that beneficiaries can capitalise on GSP. This includes support to diversifying economies; attracting new investors; trade facilitation and awareness.

GSP needs strong partnerships: the EU will continue to work closely with beneficiaries and stakeholders. These partners, including the European Parliament and EU Member States, are essential for bringing the 2030 Sustainable Development Agenda forward. EU industry is at the forefront of high standards in terms of labour, production processes and the environment and can support countries' sustainable development through their business plans.

Through access to the EU market, we assist developing countries in their efforts on economic growth, poverty reduction, good governance and sustainable development.

ANNEX I. BENEFICIARIES

Table 1. General GSP arrangement

	General GSP beneficiaries during the 2018-2019 reporting period	Changes in beneficiary status during 2018-2019 and beyond
1.	Cook Islands	
2.	Cote d'Ivoire	Left the scheme on 1 January 2019
3.	Ghana	Left the scheme on 1 January 2019
4.	India	
5.	Indonesia	
6.	Kenya	
7.	Micronesia (Federate States of)	
8.	Nauru	
9.	Nigeria	
10.	Niue	
11.	Republic of Congo	
12.	Samoa	Included per 1 January 2019 after removal from EBA
13.	Swaziland	Left the scheme on 1 January 2019
14.	Syria	
15.	Tajikistan	
16.	Tonga	
17.	Uzbekistan	
18.	Vietnam	To be removed two years following the upcoming entry into force of the EU FTA

Table 2. GSP+ arrangement

	GSP+ beneficiaries during the 2018 -2019 reporting period	Changes in GSP+ beneficiary status during 2018-2019 and beyond
1.	Armenia	Could leave the scheme by 1 January 2022*
2.	Bolivia	
3.	Cabo Verde	
4.	Kyrgyzstan	
5.	Mongolia	
6.	Pakistan	
7.	Paraguay	Left the scheme on 1 January 2019
8.	The Philippines	
9.	Sri Lanka	Could leave the scheme by 1 January 2023*

*Depending on the World Bank classification to Upper Middle Income Status.

Table 3. EBA arrangement

EBA beneficiaries during the 2018-2019 reporting period			
1.	Afghanistan	26.	Mali
2.	Angola	27.	Mauritania
3.	Bangladesh	28.	Malawi
4.	Bhutan	29.	Myanmar/Burma
5.	Burkina Faso	30.	Mozambique
6.	Burundi	31.	Nepal
7.	Benin	32.	Niger
8.	Cambodia	33.	Rwanda
9.	Chad	34.	Samoa **(removed 1 January 2019)**
10.	Democratic Republic of Congo	35.	Sierra Leone
11.	Central African (Republic)	36.	Senegal
12.	Comoros Islands	37.	Solomon Islands
13.	Djibouti	38.	Somalia
14.	Eritrea	39.	South Sudan
15.	Ethiopia	40.	Sudan
16.	Gambia	41.	Sao Tome and Principe
17.	Guinea	42.	Tanzania
18.	Equatorial Guinea	43.	Timor-Leste
19.	Guinea-Bissau	44.	Togo
20.	Haiti	45.	Tuvalu
21.	Kiribati	46.	Uganda
22.	Lao (People's Democratic Republic)	47.	Vanuatu
23.	Liberia	48.	Yemen
24.	Lesotho	49.	Zambia
25.	Madagascar		

ANNEX II. STATISTICAL INFORMATION

Table 1. Value of preferential imports for all GSP countries (thousand €)*

Source : COMEXT - TARIC - ISDB			2016				2017				2018			
GSP Class	Third Country	Product Section	Imports ('000 €) Total	GSP eligible	GSP used	% GSP Utilisation	Imports ('000 €) Total	GSP eligible	GSP used	% GSP Utilisation	Imports ('000 €) Total	GSP eligible	GSP used	% GSP Utilisation
All GSPs	All third countries	All sections	157.968.285	77.772.810	61.304.975	78,8	171.015.879	81.859.271	66.500.268	81,2	183.561.869	84.197.170	68.867.982	81,8
GSP EBA	All third countries	All sections	36.231.581	25.629.460	23.542.234	91,9	36.322.070	27.282.563	25.470.092	93,4	39.815.338	29.042.288	27.135.733	93,4
GSP General	All third countries	All sections	104.700.491	41.659.377	29.168.901	70,0	115.944.571	43.256.512	31.682.039	73,2	124.430.850	43.762.080	32.264.222	73,7
GSP Plus	All third countries	All sections	17.036.213	10.483.974	8.593.840	82,0	18.749.238	11.320.197	9.348.137	82,6	19.315.681	11.392.802	9.468.028	83,1

Table 2. Value of preferential imports by General GSP country (thousand €)*

Source : COMEXT - TARIC - ISDB			2016				2017				2018			
GSP Class	Third Country	Product Section	Imports ('000 €) Total	GSP eligible	GSP used	% GSP Utilisation	Imports ('000 €) Total	GSP eligible	GSP used	% GSP Utilisation	Imports ('000 €) Total	GSP eligible	GSP used	% GSP Utilisation
GSP General	Congo	All sections	1.048.684	34.084	14.350	42,1	1.001.210	20.113	13.739	68,3	847.801	40.989	32.744	79,9
GSP General	Cook Islands	All sections	8.659	246	31	12,7	7.721	54	3	6,3	12.118	29		
GSP General	Ghana	All sections	2.287.682	683.385	868	0,1	1.791.855	742.412	5.677	0,8	2.591.628	766.996	1.256	0,2
GSP General	India	All sections	37.687.522	18.889.804	16.638.803	88,1	42.011.292	18.521.203	16.055.203	86,7	43.601.093	18.765.680	16.377.580	87,3
GSP General	Indonesia	All sections	14.029.260	7.314.440	5.166.233	70,6	15.508.752	8.054.954	6.372.484	79,1	15.557.258	8.173.754	6.616.400	80,9
GSP General	Ivory Coast	All sections	4.535.782	1.294.557	2.070	0,2	4.352.843	1.294.499	1.540	0,1	3.987.626	1.166.178	467	0,0
GSP General	Kenya	All sections	1.268.546	870.131	16.288	1,9	1.227.254	392.672	3.373	0,9	1.264.239	419.889	2.648	0,6
GSP General	Micronesia	All sections	450	442	112	25,4	144	142	81	57,5	122	112	62	55,0
GSP General	Nauru	All sections	95	53			68	43			274	14		
GSP General	Nigeria	All sections	10.844.785	157.780	101.974	64,6	13.207.881	164.081	107.070	65,3	18.715.007	147.040	114.661	78,0
GSP General	Niue	All sections	267	181			231	21			346	22		
GSP General	Sw aziland	All sections	121.534	21.049	56	0,3	84.692	15.358			63.303	19.269	29	0,2
GSP General	Syria	All sections	49.489	20.230	8.911	44,1	52.984	23.482	10.448	44,5	57.873	23.931	12.040	50,3
GSP General	Tadjikistan	All sections	81.968	12.916	11.822	91,5	42.857	17.412	15.527	89,2	46.884	15.383	14.083	91,5
GSP General	Tonga	All sections	863	125	35	28,2	312	106	56	52,4	1.403	1.019	97	9,5
GSP General	Uzbekistan	All sections	117.189	86.289	75.689	87,7	176.378	134.804	121.308	90,0	152.522	112.334	98.606	87,8
GSP General	Vietnam	All sections	32.617.715	12.273.664	7.131.655	58,1	36.478.097	13.875.158	8.975.529	64,7	37.531.353	14.109.440	8.993.548	63,7

* 'Total imports cover all imports, including products which automatically benefit from most-favoured nation ('MFN') zero tariffs. 'EBA eligible imports' only references the products under the EBA arrangement, which do not otherwise benefit from MFN zero duty.

Table 3. Value of preferential imports by EBA country (thousand €)*

MEXT - TARIC - ISDB	2016				2017				2018			
Third Country	Imports ('000 €)			% GSP	Imports ('000 €)			% GSP	Imports ('000 €)			% GSP
	Total	GSP eligible	GSP used	Utililsation	Total	GSP eligible	GSP used	Utililsation	Total	GSP eligible	GSP used	Utililsation
All third countries	36.231.581	25.629.460	23.542.234	91,9	36.322.070	27.282.563	25.470.092	93,4	39.815.338	29.042.288	27.135.733	93,4
Afghanistan	18.886	5.632	2.846	50,5	21.365	7.112	3.792	53,3	25.966	11.958	6.962	58,2
Angola	4.156.543	69.808	30.828	44,2	2.273.906	55.874	28.024	50,2	3.628.254	47.610	32.460	68,2
Bangladesh	16.384.267	16.321.080	15.617.510	95,7	16.744.627	16.676.909	16.145.456	96,8	17.400.928	17.327.005	16.776.310	96,8
Benin	39.218	5.115	4.817	94,2	18.048	3.132	2.830	90,4	17.034	4.128	3.454	83,7
Bhutan	2.604	2.139	1.884	88,1	13.218	13.121	12.954	98,7	26.226	25.475	24.972	98,0
Burkina Faso	109.149	10.928	9.912	90,7	165.781	16.468	15.422	93,6	189.383	19.177	17.953	93,6
Burundi	31.925	292	260	89,3	24.881	186	86	46,5	24.477	226	139	61,6
Cambodia	4.595.590	4.529.091	4.179.306	92,3	4.957.827	4.922.461	4.711.554	95,7	5.254.668	5.214.970	4.987.305	95,6
Central African Republic	16.556	748	6	0,9	12.258	385	363	94,2	13.335	358		
Chad	114.667	978			200.324	229			344.373	1.047	0	0,0
Comoros	15.515	7.505	7.168	95,5	19.463	9.603	8.974	93,5	26.128	8.848	5.861	66,2
Congo (Democratic Rep	738.795	6.001	3.595	59,9	747.666	8.701	7.030	80,8	693.937	34.773	33.419	96,1
Djibouti	23.097	5.402	156	2,9	17.952	8.793	266	3,0	12.918	5.300	194	3,7
Equatorial Guinea	1.237.741	22.795	19.052	83,6	1.046.548	13.428	11.680	87,0	1.263.790	7.028	1.900	27,0
Eritrea	13.248	2.171	2.031	93,6	19.991	2.057	1.995	97,0	2.290	2.121	1.969	92,8
Ethiopia	712.168	400.421	245.789	61,4	651.593	248.859	228.748	91,9	641.581	245.054	236.088	96,3
Gambia	14.039	10.512	9.933	94,5	11.847	6.660	6.475	97,2	17.864	11.640	9.859	84,7
Guinea	522.866	2.664	811	30,5	442.790	3.062	1.447	47,3	507.006	1.843	1.022	55,4
Guinea Bissau	1.602	404			3.199	30			3.491	401	198	49,4
Haiti	39.484	15.996	13.823	86,4	47.254	22.831	19.873	87,0	51.642	17.920	15.201	84,8
Kiribati	152	97			300	211	140	66,4	298	178	158	88,6
Laos	235.140	177.175	170.097	96,0	273.718	190.102	179.627	94,5	250.958	196.320	182.257	92,8
Lesotho	207.516	2.875	2.047	71,2	270.789	5.617	1.253	22,3	352.205	5.862	1.586	27,1
Liberia	272.913	4.301	379	8,8	534.157	1.219	49	4,0	341.751	542	5	0,9
Madagascar	935.078	702.377	9.859	1,4	1.114.120	843.318	22.715	2,7	1.166.604	900.121	20.387	2,3
Malaw i	267.919	215.082	214.029	99,5	364.680	306.073	304.207	99,4	300.737	263.068	260.300	98,9
Mali	36.626	5.706	4.773	83,6	27.209	4.658	3.618	77,7	41.228	4.564	1.255	27,5
Mauritania	428.459	224.239	217.879	97,2	497.476	316.171	312.154	98,7	523.375	358.765	352.581	98,3
Mozambique	1.301.694	970.575	964.758	99,4	1.636.345	1.133.619	1.114.523	98,3	1.839.684	1.240.216	1.219.492	98,3
Myanmar	974.013	878.013	828.360	94,3	1.507.975	1.398.240	1.316.449	94,2	2.188.738	2.016.300	1.926.416	95,5
Nepal	94.312	83.435	77.175	92,5	93.138	82.461	74.986	90,9	90.223	78.759	71.368	90,6
Niger	116.024	3.692	3.080	83,4	83.907	3.913	3.504	89,5	7.529	4.011	3.188	79,5
Rw anda	51.349	1.991	947	47,6	56.158	6.511	5.575	85,6	64.459	10.550	10.061	95,4
Samoa	1.882	1.475	293	19,9	5.524	4.051	117	2,9	2.553	669	446	66,6
Sao Tome and Principe	10.241	183	98	53,5	7.835	151	91	60,5	5.380	744	533	71,7
Senegal	416.579	266.230	255.426	95,9	441.511	337.757	324.888	96,2	542.620	381.831	366.717	96,0
Sierra Leone	222.938	1.645	533	32,4	246.881	3.188	2.342	73,4	230.772	4.071	647	15,9
Solomon Islands	53.495	52.945	52.848	99,8	65.781	65.414	65.389	100,0	69.634	68.986	68.804	99,7
Somalia	13.047	568	15	2,7	18.119	106			23.935	750	609	81,1
South Sudan	303	104	70	67,6	234	74	5	6,7	93	35		
Sudan	182.863	23.460	22.751	97,0	171.714	43.275	41.417	95,7	150.264	11.762	10.689	90,9
Tanzania	620.797	324.271	317.666	98,0	504.007	276.635	268.100	96,9	473.345	263.768	256.364	97,2
Timor-Leste	5.369	71			12.880	6.598			9.808	5.181		
Togo	102.775	33.290	24.138	72,5	76.888	20.349	18.669	91,7	78.778	23.650	22.288	94,2
Tuvalu	51	28			155	42			294	34		
Uganda	444.563	150.535	148.273	98,5	511.912	144.142	141.158	97,9	470.893	134.028	131.480	98,1
Vanuatu	3.334	1.475	370	25,1	987	332	180	54,2	1.020	110	22	20,4
Yemen	18.692	6.285	4.574	72,8	31.930	17.315	16.012	92,5	39.584	28.791	26.070	90,5
Zambia	425.496	77.656	72.067	92,8	325.205	51.121	45.955	89,9	403.284	51.739	46.744	90,3

Table 4. Value of preferential imports by GSP+ country (thousand €)*

Source : COMEXT - TARIC - ISDB		2016				2017				2018			
GSP Class	Third Country	Imports ('000 €)			% GSP Utililsation	Imports ('000 €)			% GSP Utililsation	Imports ('000 €)			% GSP Utililsation
		Total	GSP eligible	GSP used		Total	GSP eligible	GSP used		Total	GSP eligible	GSP used	
GSP Plus	All third countries	17.036.213	10.483.974	8.593.840	82,0	18.749.238	11.320.197	9.348.137	82,6	19.315.681	11.392.802	9.468.028	83,1
GSP Plus	Armenia	310.033	116.430	107.772	92,6	351.132	135.485	130.319	96,2	207.913	74.868	68.162	91,0
GSP Plus	Bolivia	529.756	58.741	55.233	94,0	474.410	58.523	54.344	92,9	592.673	40.672	36.853	90,6
GSP Plus	Cape Verde	70.614	68.097	65.886	96,8	72.266	46.474	38.426	82,7	90.454	75.364	71.567	95,0
GSP Plus	Kyrgyz Republic	72.289	6.089	3.244	53,3	164.933	7.978	4.795	60,1	631.176	10.070	6.112	60,7
GSP Plus	Mongolia	64.167	18.139	15.264	84,1	69.579	19.509	16.795	86,1	72.587	17.942	16.522	92,1
GSP Plus	Pakistan	6.205.712	5.783.301	5.522.688	95,5	6.592.810	6.114.571	5.877.716	96,1	6.739.519	6.097.752	5.885.055	96,5
GSP Plus	Paraguay	1.074.459	41.718	36.558	87,6	1.147.669	53.960	47.532	88,1	735.556	110.178	104.408	94,8
GSP Plus	Philippines	6.306.721	2.361.822	1.681.542	71,2	7.241.862	2.620.112	1.937.602	74,0	7.490.408	2.618.057	1.914.773	73,1
GSP Plus	Sri Lanka	2.402.460	2.029.637	1.105.654	54,5	2.634.576	2.263.585	1.240.607	54,8	2.755.395	2.347.900	1.364.575	58,1

[i] Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation (EC) No 732/2008, OJ L 303, 31.10.2012.

[ii] Report from the Commission to the European Parliament and the Council on the application of Regulation (EU) No 978/2012 {SWD(2018) 430 final}, COM(2018) 665 final, Brussels, 4.10.2018

[iii] http://trade.ec.europa.eu/civilsoc/meetdetails.cfm?meet=11541

[iv] See Market Access for Products and Services of Export Interest to Least Developed Countries. Note by the WTO Secretariat, WT/COMTD/LDC/W/66, 2 October 2018.

[v] Commission Implementing Regulation (EU) 2019/249 of 12 February 2019, OJ L 42, 13.2.2019.

[vi] Commission Delegated Regulation (EU) 2015/1979 of 28 August 2015, OJ L 289, 5.11.2015.

[vii] Commission Delegated Regulation (EU) 2018/148 of 27 September 2017, OJ L 26, 31.1.2018.

[viii] Commission Delegated Regulation (EU) 2015/1979 of 28 August 2015, OJ L 289, 5.11.2015.

[ix] Commission Delegated Regulation (EU) 2017/217 of 5 December 2016 OJ L 34, 9.2.2017.

[x] Commission Delegated Regulation (EU) 2015/1979 of 28 August 2015 OJ L 289, 5.11.2015.

[xi] Commission Delegated Regulation (EU) 2018/148 of 27 September 2017, OJ L 26, 31.1.2018.

[xii] Commission Implementing Regulation (EU) 2019/67 of 16 January 2019, OJ L 15, 17.1.2019.

[xiii] Commission Implementing Decision of 11 February 2019 on the initiation of the procedure for temporary withdrawal of the tariff preferences provided to the Kingdom of Cambodia under Article 19 of Regulation (EU) No 978/2012, OJ C 55, 12.2.2019.

[xiv] European Parliament resolution of 14 March 2019 on the implementation of the GSP Regulation (EU) No 978/2012 (2018/2107(INI).

[xv] Article 35 of the GSP Regulation specifies the basis for the statistical data of this report. The figures were compiled by DG TRADE on the basis of data available in September 2019 from the COMEXT database (provided for in the Extrastat legislation (Regulation (EC) No 471/2009)), and Eurostat. The analysis considers only the Union's imports under the customs procedure for release for free circulation ("normal trade"), and may thus be lower than total imports. They also exclude Special CN Codes which are not part of GSP and statistical confidential trade. Statistical confidential trade is excluded (. to prevent unwantedly deriving an EU-importer from the COMEXT trade statistics and the possible implications for the analysis at the level of an individual GSP beneficiary or a product (goods' code).

[xvi] COM(2018) 665 final, Brussels, 4.10.2018.

[xvii] Preferential imports are the eligible imports for which GSP preferences were effectively used.