

EU Commission: Generalised System of Preferences

Council Regulation amending the GSP so as to extend duty and quota free access to least-developed countries (LDCs)

Brussels, 1 March 2001

Summary

On 26 February 2001 the General Affairs Council adopted the Everything But Arms amendment to the EU's Generalised Scheme of Preferences (GSP)¹. Published in the Official Journal on 1 March, this regulation is applicable from 5 March 2001².

EBA extends duty and quota free access to all products originating in LDCs, except arms and ammunition. This now includes all agricultural products by adding such sensitive products as beef and other meat; dairy products; fruit and vegetables from apples to asparagus and from cucumbers to courgettes but also processed fruit and vegetables; maize and other cereals; starch; oils; processed sugar products; cocoa products; pasta; and alcoholic beverages. Only the three most sensitive products are not liberalised immediately:

Fresh bananas: EBA provides for full liberalisation between 1 January 2002 and 1 January 2006 by reducing the full EU tariff by 20% every year.

Rice: Full liberalisation will be phased in between 1 September 2006 and 1 September 2009 by gradually reducing the full EU tariff to zero. In the meantime, in order to provide effective market access, LDC rice can come in duty free within the limits of a tariff quota. The initial quantities of this quota shall be based on best LDC export levels to the EU in the recent past, plus 15%. The quota will grow by 15% every year, from 2517 tons (husked-rice equivalent) in 2001/2002 to 6696 tons in 2008/2009 (September to August marketing year).

Sugar: Full liberalisation will be phased in between 1 July 2006 and 1 July 2009 by gradually reducing the full EU tariff to zero. In the meantime, as for rice, LDC raw sugar can come in duty free within the limits of a tariff quota, which will grow from 74,185 tons (white-sugar equivalent) in 2001/2002 to 197,355 tons in 2008/2009 (July to June marketing year). Imports of sugar under the ACP-EC Sugar Protocol shall be excluded from the above calculations so as to uphold the viability of this protocol.

The Commission should decide on the detailed rules for implementing the tariff quotas for raw sugar and rice before the start of the respective marketing years (July and September 2001).

In the interest of the LDCs themselves, EBA benefits should accrue to the countries for which they are intended (i.e. the LDCs). This is why a number of provisions, notably relating to rules of origin and administrative cooperation³, must be scrupulously respected. Any fraud can be tackled, including cases in which "massive increases" in EU imports of an LDC product occur.

The EU will carefully monitor imports of rice, sugar and bananas and apply safeguard measures if necessary to address serious difficulties to EU producers, including "serious disturbance to EU markets and their regulatory mechanisms".

In order to assess the extent to which extent LDCs are really benefiting from EBA, and whether the EU's provisions on rules of origin, anti-fraud and safeguards are adequate, the Commission will report to the Council in 2005, together with appropriate proposals if necessary.

List of Least Developed Countries

There are 48 LDCs on the UN list, 39 of them are ACP countries. ;

The ACP LDCs are: Sudan, Mauritania, Mali, Burkina Faso, Niger, Chad, Cape Verde, Gambia, Guinea-Bissau, Guinea, Sierra Leone, Liberia, Togo, Benin, Central African Republic, Equatorial Guinea, Sao Tomé and Príncipe, Democratic Republic of Congo, Rwanda, Burundi, Angola, Ethiopia, Eritrea, Djibouti, Somalia, Uganda, Tanzania, Mozambique, Madagascar, Comoros, Zambia, Malawi, Lesotho, Haiti, Solomon Islands, Tuvalu, Kiribati, Vanuatu and Samoa.

The non-ACP LDCs are: Yemen, Afghanistan, Bangladesh, Maldives, Nepal, Bhutan, Myanmar, Laos, and Cambodia. However, all GSP preferences for Myanmar have been suspended, and this also applies to EBA preferences.

¹ Regulation 2820/98 of 21 December 1998, Official Journal no. L 357 of 30.12.1998

² Regulation 416/2001 of 26 February 2001, Official Journal no. L 60 of 1.3.2001; also see [press release](#).

³ Regulation 2454/93, as amended by Regulation 1602/2000, Official Journal no. L 188 of 26.7.2000

Tariff quotas for rice and raw sugar from least-developed countries (LDCs)

	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Products	"EU import 000 tons"	"EU import 000 tons"	"EU import 000 tons"	"EU import 000 tons"	"EU import 000 tons"	"EU import 000 tons"	"EU import 000 tons"	"EU import 000 tons"
Rice (1)	2,517	2,895	3,329	3,829	4,403	5,063	5,823	6,696
Sugar (2)	74,185	85,313	98,110	112,827	129,751	149,213	171,595	197,335
(1)	marketing years		September 2001		to September 2009			
(2)	marketing years July 2001 to July 2009							