GSP+

Generalised Scheme of Preferences
What is GSP+?

- GSP+ is the EU’s autonomous trade preference programme for vulnerable developing countries.
- GSP+ grants full removal of tariffs on over 66% of product categories for exports to the EU.
- GSP+ status is based on effective implementation of 27 international conventions on human and labour rights, environment protection and good governance.
GSP+ and Pakistan

- Pakistan was awarded GSP+ status on 1st January 2014.
- Between 2013 and 2019, Pakistan’s exports to the EU increased 65.09%, while EU exports to Pakistan rose 44.43%.
- EU is Pakistan’s first export destination with 35% of all exports going to EU (before Brexit), second is the USA with 16% and third is China with 8%.
Article 14 - Reporting Obligation

- **Article 14** of the GSP Regulation requires the European Commission to present a biennial report to the European Parliament and to the Council a status report on the compliance of GSP+ countries with reporting obligations under the conventions and the status of the effective implementation thereof.

  - The **first** such report, covering the period 2014-15, was issued in January **2016**.
  - The **second** report, covering the period 2016-17, was published in January **2018**.
  - The **third** report covering the period 2018-19 was presented in February **2020**.
  - The process of preparing the **fourth** report has already begun which will be due in **2022**.
GSP+ Report (2018-19) - Progress Recognized

- Pakistan has made some progress on adopting laws on:
  - Transgender Persons (Protection of Rights) Act in 2018
  - Elimination of honour killings
  - The Federal Government finalized the Domestic Violence (Prevention and Protection) Bill, 2019
  - Senate passed the Child Marriage Restraint Bill, 2019
  - Zainab Alert, Response and Recovery Act, 2019


- Invitation to the UN Special Rapporteur on the Right to Food is a positive step.

- Launch of a national Child Labour Survey is an important milestone.

- Implementation of the National Action Plan on Human Rights has started.
Legislation on enforced disappearances.

Law defining torture and criminalise it as per under the Convention Against Torture (CAT).

Scope of death penalty to be aligned the International Covenant on Civil and Political Rights (ICCPR).

Mechanism to investigate and prosecute cases of intimidation, abduction, and killing of human rights defenders, lawyers, and journalists.

Shrinking space for civil society and voices of dissent;

- impunity for perpetrators of crimes against journalists

Restore status of the National Commission for Human Rights (NCHR).
The List of Issues highlighted the following 8 priority areas:

1. Extend the application of ILO Conventions No 87 and No 97 to Export Processing Zones and Special Economic Zones
2. Adopt and implement a comprehensive child labour law to:
   i. finalise ongoing child labour surveys
   ii. strengthen the labour inspection system
3. Define the most serious crimes for which death sentences may be imposed
4. Facilitate registration of the INGOs
5. Criminalize and prosecute enforced disappearances and secret detentions
6. Adopt and implement the Journalists Welfare and Protection Law
7. Adopt and implement a comprehensive anti-torture law in conformity with the Convention against Torture (CAT)
8. Impartiality of the accountability process
Each GSP+ report contains 4 core areas of the GSP+ i.e.

1. Human Rights
2. Labour Rights
3. Environment
4. Governance
The capacity of institutions to enforce legislation remained weak.

Lack of availability of reliable data on human rights violations.

Shrinking space for civil society with serious concerns relating to:

- Crackdown on Freedom of Expression
- Curtailing Media Freedom
- Impunity for Crimes against Journalists & Human Rights Defenders

Widespread violations of women’s, children’s and minority rights.

Enforced disappearances and extra-judicial killings remained prevalent.
Lack of provision of Labour Rights remained a matter of concern in the areas of:

- Collective bargain
- Wage discrimination
- Forced and Bonded labour in Agriculture and Mining

Need to improve the Labour Inspection System and in all provinces.

The following problematic issues were highlighted:

- To ensure the right of trade unions to register and operate
- To improve occupational health and safety of workers
- To eliminate the worst forms of child labour
- To ensure the application of labour laws in Export Processing Zones and Special Economic Zones
Ministry of Climate Change (GoP) improved vigilance to combat the illegal trafficking of wildlife exports.

With relation to climate change, Pakistan remained committed to implement its Nationally Determined Contributions (NDC).

Pakistan needed to improve the regulatory mechanism to implement the conventions on Environment by formulating:

- A concrete wildlife protection programme for the Deosai region (Northern Areas - GB)
- Hazardous Waste Management Policy
- Rules for trade control of Wild Fauna and Flora
Give confidence and autonomy to the National Accountability Bureau (NAB)

- To follow ‘Accountability for All’ in its actions.

Accountability lacked

- to address the prevention of money laundering and
- terrorist financing

Which resulted in Pakistan’s inclusion into:

- The ‘grey list’ of the FATF
- The EU list of high-risk third countries
## GSP+ - Statistics Pakistan

<table>
<thead>
<tr>
<th>Period</th>
<th>EU Imports (bn €)</th>
<th>EU Exports (bn €)</th>
<th>Trade Deficit (bn €)</th>
<th>Total Trade Volume (bn €)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>4.538</td>
<td>3.839</td>
<td>699</td>
<td>8.377</td>
</tr>
<tr>
<td>2014</td>
<td>5.520</td>
<td>4.089</td>
<td>1431</td>
<td>9.609</td>
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<tr>
<td>2015</td>
<td>6.067</td>
<td>4.428</td>
<td>1639</td>
<td>10.495</td>
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<tr>
<td>2016</td>
<td>6.277</td>
<td>5.294</td>
<td>983</td>
<td>11.571</td>
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<tr>
<td>2017</td>
<td>6.674</td>
<td>6.142</td>
<td>532</td>
<td>12.816</td>
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<tr>
<td>2018</td>
<td>6.874</td>
<td>5.652</td>
<td>1222</td>
<td>12.526</td>
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<tr>
<td>2019</td>
<td>7.492</td>
<td>5.545</td>
<td>1947</td>
<td>13.037</td>
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</tbody>
</table>

**Table: 2013-19 GSP+ Trade Trends (in billion €)**
Figure: Cumulative Increase Since 2013

- EU Imports
- EU Exports

<table>
<thead>
<tr>
<th>Year</th>
<th>EU Imports</th>
<th>EU Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-2014</td>
<td>21.63%</td>
<td>6.51%</td>
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<tr>
<td>2013-2015</td>
<td>33.69%</td>
<td>15.34%</td>
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<tr>
<td>2013-2016</td>
<td>38.32%</td>
<td>37.90%</td>
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<tr>
<td>2013-2017</td>
<td>47.07%</td>
<td>59.98%</td>
</tr>
<tr>
<td>2013-2018</td>
<td>51.47%</td>
<td>47.22%</td>
</tr>
<tr>
<td>2013-2019</td>
<td>65.09%</td>
<td>44.43%</td>
</tr>
</tbody>
</table>
The process for the fourth GSP+ review has already begun.

The List of Issues was shared with Pakistan in June 2020.

A response to the List of Issues has been received by the Delegation 15 September 2020.

A Monitoring Mission will be fielded to visit Pakistan and meet with authorities as soon as the Covid-19 situation permits.

The present GSP regime remains in tact until 31 December 2023.

Pakistan will continue to avail GSP+ as long as it continues to reflect progress on implementation of 27 conventions.

The new regulation (which will substitute the present GSP regime is in the offing and will be enforced on 1st January 2024.)
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EU Delegation to Pakistan

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