European Commission

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The New EU Generalised Scheme of Preferences

The EU's Generalised Scheme of Preferences (GSP) is a key trade instrument supporting developing countries' integration into the global economy and promoting sustainable development.

The new GSP, applicable from 1 January 2027, strengthens the link between trade and international standards, enhances monitoring and transparency, improves safeguards for EU industry, and ensures predictability for partner countries.

The updated Regulation maintains the core architecture of the scheme while responding to evolving global challenges.

WHAT IS THE GSP?

The EU GSP is a **unilateral trade arrangement,** established in line with World Trade Organization (WTO) rules. It grants reduced or zero tariffs on imports from eligible developing countries.

By providing preferential access to the EU market, the GSP:

- Supports poverty reduction
- Promotes sustainable development
- Encourages compliance with international standards
- Facilitates integration into global value chains

The EU offers three arrangements:

Standard GSP

Zero or reduced tariffs on two-thirds of all product lines for eligible lower-middle-income countries and below.
11 countries benefit under the new Regulation.

GSP+

Zero tariffs on two-thirds of product lines for economically vulnerable standard GSP beneficiaries that ratify and effectively implement **32 international conventions.**
8 current beneficiaries benefit from a two-year transitional period (until end 2028).

Everything But Arms (EBA)

Duty- and quota-free access for **Least Developed Countries (LDCs)** for all products except arms and ammunition.
46 beneficiary countries under the new Regulation.

Key Facts

- **65 countries** benefit from the EU GSP.
- These countries represent **around 3.7 billion people.**
- **46 LDCs** benefit from EBA (33 in Africa).
- Around **51% of total GSP trade value** goes to LDCs under EBA.

Application:
1 January 2027
Valid for the next **10 years**

Supporting LDCs

The EBA arrangement:

- Has **no expiry date**
- Provides long-term certainty
- Encourages investment
- Supports export diversification

LDCs:

- Benefit automatically
- May choose between EBA and FTA preferences where they have an FTA with the EU
- Are excluded from product graduation
- Are exempt from automatic safeguards on textiles/clothing and ethanol

BENEFICIARIES MOVING UP

LDC graduation from the UN system

Countries graduating from LDC status retain EBA preferences for **three years,** preventing sudden tariff increases.

Economic graduation

Non LDC-countries reaching Upper-Middle-Income status benefit from a **one-year transition** during which they continue benefiting from GSP.

Free Trade Agreements

Non LDC-countries concluding FTAs with the EU receive a **two-year transition** to avoid preference gaps.

WHAT IS NEW IN THE GSP?

- The new GSP is **stronger, more transparent, and more enforceable.**
- It reinforces links between trade and sustainable development.
- It improves monitoring and stakeholder engagement.
- It protects EU industry while preserving development objectives.
- It provides predictability and long-term stability for partner countries.

I. ENHANCED ENGAGEMENT & MONITORING

The new framework prioritises:
- Structured dialogue
- Early engagement
- Stakeholder involvement
- Action-oriented monitoring

Withdrawal remains a last resort.

GSP+ changes

- Current GSP+ beneficiaries must reapply under the new rules.
- Applicants must submit a forward-looking Plan of Action for implementing the 32 conventions.
- A two-year transition period allows preparation of reapplications and Plans of Action and to adapt to new requirements.

II. STRICTER CONDITIONS

The new GSP reinforces the link between trade preferences and compliance with international standards.

Extended environmental and good governance conditions for all countries

All beneficiary countries may face withdrawal if they violate the principles of international conventions on:
- Human rights
- Labour rights
- Environment and climate
- Good governance

Environmental and climate violations are now explicitly included for all, including Standard GSP and EBA beneficiaries.

Urgent withdrawal procedure

In exceptionally grave cases, preferences may be withdrawn under an accelerated procedure.

Updated list of conventions

There are now 32 GSP-relevant conventions.

The **Paris Agreement (2015)** replaces the Kyoto Protocol.

New migration-related conditionality

Trade preferences are now linked to cooperation on the readmission of a country's own nationals, through a structured and proportionate mechanism reflecting development levels.

III. PROTECTING EU INDUSTRY AND AGRICULTURE

The development focus of GSP is preserved while strengthening safeguards for EU producers.

Key instruments

- **Product graduation:** Competitive sectors exceeding import thresholds over a three-year period may lose preferences (revised thresholds).
- **General safeguard mechanism:** Applies to all products with more flexible assessment criteria.
- **Agricultural surveillance mechanism:** Allows early detection of import surges and possible suspension of preferences.
- **Textiles and ethanol safeguard:** Maintained with revised thresholds.
- **New rice safeguard:** Enables tariff-rate quotas (TRQs) when needed.

STRONGER TRANSPARENCY & STAKEHOLDER PARTICIPATION

- Role of the European Parliament and Council
- Reporting obligations
- Civil society involvement
- Transparency in monitoring and enforcement

Contact for enquiries

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For general enquiries related to the EU Generalised Scheme of Preferences (GSP).