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EU TARIFF PREFERENCES GIVE POOREST COUNTRIES A BOOST

The EU is the largest provider of preferential market access for 176 developing and emerging countries. The total volume of EU imports using these preferences is around € 68 billion.

However, the current regime is out of touch with reality. Over 40% of tariff preferences are used by emerging countries, such as Brazil, India and Russia. In addition, five out of the ten largest users of preferences are negotiating free-trade agreements (FTAs) with the EU, suggesting that more comprehensive and reciprocal market opening is preferable.

BUSINESSEUROPE is therefore pleased that the proposal put forward today targets preferences on those who really need them, namely least developed countries and low and lower-middle income countries, and excludes competitive sectors more easily.

The European Commission's proposal regarding GSP+ is more problematic. Easier granting and withdrawal of additional tariff preferences, including through the increase of the vulnerability threshold, can undermine the competitive position of poorer countries to the benefit of stronger economies and damages the predictability, and therefore attractiveness, of the system.

Philippe de Buck said: *'This proposal maintains meaningful preferences for developing countries in need by excluding highly competitive emerging countries from the system. This will give an economic boost to the EU's low-income trading partners.'*

NOTE TO THE EDITOR

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