

# Generalised scheme of tariff preferences (GSP): reinstatement of tariff preferences for Myanmar/Burma

2012/0251(COD) - 17/09/2012 - Legislative proposal

**PURPOSE:** to repeal [Council Regulation \(EC\) No 552/97](#) temporarily withdrawing access to generalised tariff preferences from Myanmar/Burma.

**PROPOSED ACT:** Regulation of the European Parliament and of the Council.

**BACKGROUND:** [the Generalised Scheme of Tariff Preferences \(GSP scheme\) is part of the European Union's common commercial policy, in accordance with the general provisions governing the European Union's external action.](#)

[Council Regulation \(EC\) No 732/2008 applying the current GSP scheme](#) provides that the preferential arrangements provided for in this Regulation may be withdrawn temporarily, in respect of all or of certain products originating in a beneficiary country, for the serious and systematic violation of principles laid down in fifteen out of the twenty-seven international conventions listed in its Annex, on the basis of the conclusions of the relevant monitoring bodies. The relevant conventions also cover core labour rights such as forced labour.

Myanmar/Burma's access to the GSP tariff preferences was temporarily withdrawn by Council Regulation (EC) No 552/97 due to routine and widespread practice of forced labour, confirmed by the International Labour Organisation (ILO), in a special procedure of its Commission of Inquiry.

Since 2011, Myanmar/Burma has been undertaking a historic programme of openness and reform and the Council is now in favour of "reinstating the Generalised System of Preferences (GSP) for Myanmar/Burma as soon as possible once the required conditions are fulfilled, following the assessment of the International Labour Organisation".

On 13 June 2012, the International Labour Conference (ILC) lifted restrictions, which excluded the Government of Myanmar/Burma from receiving ILO technical cooperation and assistance. Accordingly, the violations cannot be any longer considered as "serious and systematic" and thus the tariff preferences should be reinstated according to the current GSP Regulation.

For these reasons, it is recommended that Myanmar/Burmas access to generalized tariff preferences should be reinstated.

**IMPACT ASSESSMENT:** no impact assessment was undertaken.

**LEGAL BASIS:** Article 207 of the Treaty on the Functioning of the European Union (TFEU).

**CONTENT:** with this proposed Regulation, it is envisaged to repeal Council Regulation (EC) No 552/97 for the reasons described above.

It should be noted that in the absence of explicit reinstatement provisions in the current GSP Regulation, and in light of the provisions of the Treaty of Lisbon, the ordinary legislative procedure is applied for the adoption of the reinstatement of preferences for Myanmar. This is a one-off procedure aimed at responding to a clear and present political need as expeditiously as possible. The [new GSP Regulation](#) which will apply only as of 1 January 2014 redresses the absence of reinstatement provisions.

**BUDGETARY IMPLICATIONS:** the proposed Regulation does not incur costs to the EU budget and its application entails a very limited loss of customs revenue. The actual loss of customs revenue resulting from reintegration of Myanmar/Burma is estimated at less than 5 million and is due to a structural lack of production and trading capacity in the country.