

MMTA TRADE AND LOBBY COMMITTEE'S NEWSLETTER

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REVIEW OF THE GENERALISED SYSTEM OF PREFERENCES TO BENEFIT MINOR METALS?

1. The Generalised System of Preferences and its potential for minor metals

The European Commission has recently launched a consultation on its Generalised System of Preferences. The GSP is the system through which the EU unilaterally grants preferential access to imports from developing countries. The GSP covers over 6000 products including for example ferro-alloys, molybdenum and a large number of other minor metals. Preferential access takes either the form of a reduction of duties for sensitive products (e.g. textiles and some agricultural products), or of a complete elimination of duties in the case of non-sensitive products originating in developing countries.

Even though the GSP offers valuable opportunities for businesses to import products duty free or at reduced duties into the EU, it is widely under-utilised for a number of reasons. Indeed, either traders are unaware of this opportunity, or are put off by its complexity, or fear having to repay duties retroactively if a mistake was made regarding the preferential status or the required documentation.

2. Reviewing the Generalised System of Preferences to further benefit minor metals

The current GSP regulation is due to expire in 2011. The European Commission has proposed to extend its application by another two years in order to have the time to evaluate and propose an overhaul of the system. In view of this, the European Commission has invited comments from all interested parties on how best to improve the system.

This offers companies the opportunity to influence the future GSP e.g. to propose:

1. Simplifying the system
2. Including or excluding products
3. Reviewing the classification of a product as sensitive or non-sensitive
4. Reviewing the criteria for beneficiary countries including graduation, etc.

3. Recommended action

The deadline to submit comments in the context of this public consultation is **May 31, 2010**. We recommend that MMTA members conduct an **impact assessment** of the current GSP to review the areas where they benefit from it or where they face competition. The second step would be to **provide input to the consultation process** and the third step would be to develop and execute an **advocacy strategy** in order to achieve objectives in light of the findings obtained from the impact assessment.

Please contact the [MMTA](http://www.mmta.co.uk) or [Arnoud Willems](mailto:Arnoud.Willems@mmta.co.uk) at Sidley Austin for more information.

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