



Brussels, 12 May 2023
(OR. en)

8864/23

Interinstitutional File:
2021/0297(COD)

LIMITE

POLCOM 73
SPG 3
CODEC 740
IA 86

NOTE

From:	Presidency
To:	Permanent Representatives Committee
No. Cion doc.:	ST 12184/21 + ADD 1
Subject:	Regulation on applying a generalised scheme of tariff preferences and repealing Regulation (EU) No 978/2012 of the European Parliament and of the Council (GSP) - Progress in negotiations with the European Parliament

1. On 22 September 2021, the Commission submitted to the Council a proposal for a revised version of this Regulation (the GSP Regulation) (documents ST 12184/21 INIT and ST 12184/21 ADD 1). This is intended to replace the existing version of the GSP Regulation which expires at the end of 2023.
2. The European Parliament appointed the International Trade Committee (INTA) as the lead committee, and Heidi Hautala (Greens/EFA, FI) was appointed rapporteur. INTA adopted its report on the proposal on 3 May 2022, and this was endorsed by the plenary on 18 May 2022. On 20 December 2022 the Council mandate was adopted by the Permanent Representatives Committee.
3. Trilogue meetings were held with the Parliament and the Commission on 31 January, 2 March, 28 March and 27 April, and twelve technical meetings have been held. The Presidency has regularly informed the Trade Policy Committee (Generalised System of Preferences) of progress in the negotiations.

4. Following the Trilogue on 27 April, there is now stable text (with only a few other points to finalise) on all issues except safeguards and readmission. The Trilogue on 27 April validated the large majority of the text which had been prepared at technical level, and agreed that discussions should continue at technical level on the outstanding points that need to be finalised.
5. On safeguards, the Trilogue on 27 April agreed that discussions at technical level on general safeguards should be based on the Council's mandate, and discussions at technical level on safeguards for sensitive sectors such as agriculture should be based on the Council's and the Parliament's mandates.
6. On readmission, the Commission circulated six points to facilitate discussion on 24 April. The Presidency broadly welcomed the points but noted that conditionality was essential and any wording on withdrawal based on readmission as a measure of last resort needed to be worded very carefully. The Parliament remained opposed to the inclusion of conditionality on readmission in the Regulation and did not engage on the basis of the Commission's points which, it found too close to the Council's position
7. In the Presidency's view, it has become increasingly clear that in order to reach any agreement with the Parliament, the Council needs to consider further the issue of readmission. It is also clear that conditionality on readmission is an absolute requirement from the Council's side. That is why the Presidency at the Working Party level on May 11 presented some ideas for flexibility while maintaining conditionality. They included raising the conditionality threshold for readmission, ideas around how to make withdrawal of preference a last resort, and the delay of entry into force of the readmission conditionality.
8. Against this background, the Permanent Representatives Committee is invited to discuss and indicate any potential flexibility that it wishes the Council to display in these negotiations, especially on readmission.
