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Commission's first grant of special incentive arrangements on labour rights under the system of trading preferences

The Commission recently adopted its first regulation granting use of the special arrangement to encourage protection of labour rights under the Generalised System of Preferences. The beneficiary is the Republic of Moldova.

With a view to encouraging development, this clause embodies a positive approach intended to promote better working conditions, marking the EU's rejection of protectionism or any kind of penalty.

To qualify for the labour rights arrangement, countries must submit a request and provide evidence to show that they have adopted, and are effectively applying, the international standards on the right to organise and the right of collective bargaining (ILO Conventions Nos 87 and 98) and on the minimum working age (ILO Convention No 138).

In February 1999 Moldova was the first country benefiting from the Generalised Scheme of Preferences (GSP) to request application of the above arrangement. Following examination of the request, the Commission judges that the country complies in practice with the ILO Conventions and has undertaken to monitor their application, and therefore qualifies for the incentive scheme.

From 1 October this year exports originating in the Republic of Moldova and eligible for the GSP will therefore also be eligible for further tariff reductions.