



## Commission Proposes Enhanced Market Access for Sri Lanka as Reform Incentive

Brussels, 11 January 2017

**Removal of customs duties would be accompanied by rigorous monitoring and conditional on continued commitment to sustainable development, human rights and good governance.**

The Commission today proposed that a significant part of the remaining import duties on Sri Lankan products should be removed by the European Union in exchange for the country's commitment to ratify and effectively implement 27 international conventions on human rights, labour conditions, protection of the environment and good governance. These one-way trade preferences would consist of the full removal of duties on 66% of tariff lines, covering a wide array of products including textiles and fisheries.

These preferences would come under a special arrangement of the EU Generalised Scheme of Preferences, known as [GSP+](#). This arrangement is designed to support developing countries by fostering their economic development through increased trade with Europe and providing incentives to take tangible measures towards sustainable development. The European Parliament and the Council have now up to four months to raise potential objections before the measures become effective.

Trade Commissioner Cecilia **Malmström** said: "*GSP+ preferences can make a significant contribution to Sri Lanka's economic development by increasing exports to the EU market. But this also reflects the way in which we want to support Sri Lanka in implementing human rights, rule of law and good governance reforms. I am confident of seeing timely and substantial further progress in these areas and the GSP+ dialogue and monitoring features will support this reform process. This should include making Sri Lankan counter-terrorism legislation fully compatible with international human rights conventions.*"

Granting access to the GSP+ scheme does not mean that the situation of the beneficiary country with respect to the 27 international conventions is fully satisfactory. Instead, it offers the incentive of increased trade access in return for further progress towards the full implementation of those conventions, and provides a platform for engagement with beneficiaries on all problematic areas. As is the case for all GSP+ countries, the removal of customs duties for Sri Lanka would be accompanied with rigorous monitoring of the country's progress in the area of sustainable development, human rights and good governance.

Sri Lanka had already benefited from GSP+ in the past. In 2010 the EU decided however to stop the preferential treatment for Sri Lankan imports due to the failure to address reported human rights violations in the country. In 2015, the new government of Sri Lanka set out a path of major reforms aiming for national reconciliation, respect of human rights, the rule of law and good governance principles, as well as sustainable economic development. The Sri Lankan government applied for GSP+ in July 2016 and the Commission's assessment has concluded that it met the GSP+ entry criteria set out in the [EU Regulation](#).

### Background

Sri Lanka has taken important steps to improve the respect of human rights and extend good governance. A significant development is the 19th Constitutional amendment, which re-establishes the independence of key institutions such as the National Human Rights Commission. Sri Lanka has also taken concrete actions to among other things: ensure cases of missing persons are examined; offer better protection of witnesses and victims; release persons detained under controversial anti-terrorism regulations; combat child labour. Sri Lanka has also re-engaged with the UN system, in particular the UN Human Rights Council, where it has made commitments to promote reconciliation, accountability and human rights. Moreover, Sri Lanka has achieved most of its Millennium Development Goals, especially in health, education and gender equality.

At the same time, more needs to be done to improve on issues of concern. Sri Lanka must ensure its counter-terrorism legislation is fully in line with international human rights conventions. As a matter of priority, it must put a definitive stop to the use of torture by security forces and the related impunity. The government must also see through policy and legislative processes to improve the rights of women

and children, for example with regard to discrimination, domestic violence, minimum age of marriage, sexual exploitation, as well as harassment of trade unions. All of these issues would be subject to GSP+ monitoring to ensure that positive progress continues to be made.

The EU is Sri Lanka's biggest export market accounting for nearly one-third of Sri Lanka's global exports. In 2015, total bilateral trade amounted to €4.7 billion. EU imports from Sri Lanka amounted to €2.6 billion and consisted mainly of textiles as well as rubber products and machinery.

There are currently 8 GSP+ beneficiaries: Armenia, Bolivia, Cape Verde, Kyrgyzstan, Mongolia, Pakistan, Paraguay and the Philippines.

## **More information**

[Commission Staff Working Document: Report on assessment of the application for GSP+ by Sri Lanka](#)

[Factsheet: GSP+ special arrangement](#)

[Generalised Scheme of Preferences](#)

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