

Post-Brexit deal

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Pakistan to enjoy same status as available in GSP+ scheme: UK

ISLAMABAD: The United Kingdom (UK) has shared post Brexit deal trade arrangements with Pakistani business community, according to which Pakistan will get the same duty free and quota free market access as available in GSP plus scheme of EU with new name i.e. Enhanced Framework.

This assurance has been given by Mike Nithavrianakis, Deputy High Commissioner UK Trade Director for Pakistan in a letter to Chief Executive, Pakistan Business Council (PBC) Ehsan Malik.

British Prime Minister Boris Johnson en route to Brussels announced that a Brexit deal has been agreed between UK and EU however a stormy session in parliament is expected this Saturday on the modalities of the deal.

The letter explains how trade will work under different scenarios and is titled "UK Brexit Trading arrangements." According to the letter, negotiations to achieve this are ongoing, ahead of the European Council on 17-18 October. If an agreement is not reached, the government has made clear that it is prepared to leave without one.

The UK government has also committed where possible to maintain current trading arrangements with Pakistan and other countries that currently participate in the EU's GSP+ scheme.

"If the UK leaves without a deal, we intend to put in place our own trade preference scheme for developing countries, which will provide the same level of access to UK markets as the current EU Generalised Scheme of Preferences (GSP). Therefore, the UK Government's intention is to provide Pakistan with the same duty free, quota free access it currently receives under the GSP+ tier of the EU's preference scheme, which will be known as the Enhanced Framework in the UK's scheme," he added.

Deputy High Commissioner UK Trade Director for Pakistan further states, "Legislation to create our scheme is already well advanced and will be laid in Parliament ahead of leaving the EU, to allow for trade to continue from Day 1 after exit."

"The Enhanced Framework will closely replicate the EU's GSP+ tier, which requires that countries have ratified and effectively implemented twenty-seven Conventions on human and labour rights, good governance and the environment, he said, adding that it

also sets out circumstances for the removal of trade preferences, which include serious and systematic violations of human and labour rights amongst others.

“We expect Pakistan to continue to respect the conditions in the UK’s Enhanced Framework after EU exit, including meeting these international obligations,” he continued.

To ease the transition, he said, the rules of origin in the UK’s preferences scheme will remain the same as under the EU GSP. Specifically, the list of products and working or processing operation which confer originating status will be the same in the UK’s preference scheme as under the EU’s GSP scheme. The UK will not have access to the EU’s Registered Exporter Scheme (REX) after exit. However, in the event of no deal, for up to 12 months after exit GSP exporters will be allowed to use the REX statement of origin as proof that goods originate from a GSP country. That statement of origin must hold the valid REX registration number of the exporter and be dated no later than 12 months after the date the UK leaves the EU. During and after this period the UK GSP scheme will use FORM A as its proof of origin for imports into the UK via GSP.

“Every effort is being made to minimise changes to the administrative procedures involved in exporting to the UK after Brexit,” he maintained.

In most cases, the Deputy High Commissioner UK Trade Director for Pakistan further states that there will be little or no change for products arriving from non-EU countries immediately after Brexit. However, some changes are unavoidable, as the UK will no longer be party to various border control arrangements operating within the EU Single Market. Whether a business will be affected by these changes depends on several factors, including the country in which they are based, whether goods will transit via the EU, and the type of product being exported to the UK. The best way to check whether a business will be affected is to consult the published guidance on GOV.UK.

The online tool available at www.gov.uk/business-uk-leavingeu will help businesses find the information relevant to them. Enquiries can also be submitted via the online form at www.great.gov.uk/contact/triage/location/. In the case of a deal with the EU, the Withdrawal Agreement allows for the UK to remain part of the EU’s GSP scheme during the implementation period. In this case, all tariff reductions and administrative processes would remain unchanged during that period.

“The UK remains fully committed to ensuring developing countries can reduce poverty through trading opportunities and we will continue to champion economic development more broadly,” he concluded.—MUSHTAQ GHUMMAN