

GSP report

The Generalized System of Preference (GSP) aims to reduce poverty, and promote sustainable development and good governance in developing countries. This is a mechanism that facilitates full participation of beneficiary countries thorough tariff preferences in the EU markets, and generates additional export revenue. While the standard GSP provides preferences to 90 developing countries of over 6300 tariff lines, GSP Plus offers additional duty-free exports to support 25 countries – including Pakistan. In that sense, GSP Plus is a component of the GSP—but in return demands the implementation of 27 international conventions and treaties. The European Union reviews Pakistan’s human-rights progress every two years under GSP Plus. The EU granted GSP Plus status to Pakistan in 2013 and it came in full force in January 2014 and is valid for ten years – provided Pakistan complies with its requirements. The 27 international conventions and treaties are related to environment, governance, human rights, labour standards, and other protocols.

In the recently prepared biannual report, the EU has acknowledged that Pakistan has led a national awareness drive on women and children’s rights; and it has also appreciated that the government of Pakistan is keenly interested in maintaining the GSP Plus status for economic and trade benefits. However, the EU has expressed its concerns over the state of civil society and media in Pakistan. The report has highlighted that the space for civil society in Pakistan is shrinking, and the freedom of expression and media is declining. Similarly, it has also raised the issue of enforced disappearances. The cancellation of registration of international NGOs working in Pakistan is another matter the EU is concerned about. Regarding human rights, the report has underscored the delays in appointment of a commissioner for the National Commission of Human Rights (NCHR). This delay has been hampering the work of this commission and needs to be taken on priority basis.

The GSP Plus status has offered Pakistan a generous tariff regime with nearly zero duties on exports to two-thirds of all product categories to the European markets. Since Pakistan lacks diversification and sufficient integration in the international system, GSP Plus has been highly beneficial to the country. After acquiring the status in 2014, Pakistan’s GDP achieved the previous decade’s highest growth of 5.7 percent in financial year 2017-18, which was the last year of the PML-N government. Since 2018, during the PTI-led government the GDP growth has shrunk and other economic and financial woes are haunting the country. Under this scenario, Pakistan cannot afford to lose the GSP Plus status. The authorities should take serious note of the observations made by the report and improve the country’s human-rights record, and address the issues regarding curbs on the freedom of expression and media.