

**EU to revise all regulations, criterion of GSP+ in 2023**

ISLAMABAD: The European Union (EU) is to revise all regulations and criterion about Generalized Scheme of Preferences plus (GSP+) in 2023, which will change the scope of existing incentives available to different countries.

Diplomatic sources told Business Recorder, that Brussels, the headquarters of European Union, has started work on different proposals which will be given final shape by the end of 2022.

In 2020, the EU had extended GSP plus status for Pakistan till 2022. In 2019, the EU-Pakistan trade deficit increased by 1.947 billion euros ( surplus for Pakistan ) which implies that Pakistan 's exports to the EU increased while its imports from the EU registered a decline from 5.652 billion in 2018 to 5.545billion ( decline by 1.89 per cent) year on year basis. The overall trade increased by 3.78 per cent from 13.562 billion Euro to 13.037 billion Euro in 2018 and 2019 respectively.

The sources said, Pakistan's exports to EU have increased by 65.09 per cent since 2013 whereas imports from Europe posted a growth of 44.43 per cent during this period.

Replying to a question, the sources said, reports on the generalized scheme of preferences covering different periods were never binding documents, saying that the EU can suspend the program half way if agreements are violated.

The EU imports from Pakistan continue to surge while the EU exports to Pakistan are witnessing a downward trend due to two key reasons ;(i) low demand by the manufacturing sector as Pakistan's economy is going through sluggish growth since 2018 and ;(ii) Pakistan's overall imports are generally decreasing due to the government's policy to discourage imports in order to address burgeoning trade deficit.

Answering another question, the sources said, the EU shares its reservations and concerns with the relevant countries on violations of human rights, freedom of speech and slow progress on other matrix agreed with the benefiting countries.

The EU recently extended grant of 150 million Euros to Pakistan to help deal with Covid -19.

Meanwhile, Ambassador of European Union to Pakistan, Androulla Kaminara, called on the Advisor to the Prime Minister on Commerce & Investment, Abdul Razak Dawood, at Ministry of Commerce on Wednesday . Secretary Commerce was also present during the meeting.

Talking about the engagement with EU, with reference to GSP+, the Advisor said that Pakistan has stayed focused and will adhere to the agreed timelines, despite the difficulties caused by Covid-19 pandemic. He emphasized that the implementation of 27 Conventions are important for Pakistan for their long term national and social benefits.

The purpose of the meeting was to discuss various matters related to GSP+ and different avenues of cooperation between Pakistan and EU, particularly for development of Small and Medium Enterprises (SMEs), promotion of culture and tourism industries. The Ambassador discussed various ideas for providing support to the freelancers in IT sector, handicrafts and tourism, with the focus on creating linkages with the European Union to open new markets for the products and services.

On possibilities for future cooperation, Dawood said that there is a lot of potential in Northern Areas for locals to expand tourism infrastructure. He also endorsed the idea for promotion of IT sector, which is posting a good growth and is being promoted under the patronage of the Government, under the E-Commerce Policy.