

GSP-Plus facility

GENEROUS tariff concessions given by the European Union on its imports from Pakistan under the GSP-Plus facility since January 2014 are inextricably linked to the country's progress on the implementation of 27 core international conventions on human and labour rights, environmental protection, and governance. Any shortcoming on this count can deprive our exporters of this much-needed facility. Indeed, the government has taken certain initiatives to enforce these conventions ever since Pakistani exporters qualified for the facility. But progress has been painfully slow and gaps continue to exist in spite of monitoring by the EU Commission on Trade, which evaluates the situation every two years to help the EU Parliament make a decision on whether or not to continue the facility in the future. Little wonder then that the EU ambassador to Pakistan, Jean-François Cautain, was forced to remark: "So far, the glass is half full and half empty." His remarks came on the eve of the arrival of an EU Commission on Trade delegation here to evaluate the situation. The delegation's findings will help the EU decide if the country has made adequate progress on the conventions to justify tariff concessions to the bloc beyond 2019. In an interview, he had pointed out that Punjab has made laws on child rights, but they have not been fully enforced yet. Similarly, a tendency to restrict freedom of expression in Pakistan is being observed, and no action is taken on the promised legislation on torture. His concerns will find a prominent place in the next biennial assessment report and could hurt Pakistan's interests.

The EU is important for Pakistan — we sell almost a quarter of our total global exports in the European market. And the tariff concessions offered by the GSP-Plus facility are crucial for our exporters — it lets more than three-quarters of our shipments to the EU countries enter markets without attracting any duty. Consequently, Pakistan's exports to the EU increased from 4.54bn euros in 2013 to 6.29bn euros in 2016. Had the EU not offered our products duty-free access to its consumers, we might have lost a big portion of our market share to competitors like India, Vietnam and China. Earlier this year, the EU promised to consider upgrading its trade ties with Pakistan — from a GSP-Plus beneficiary, the latter could become a free-trade agreement partner. But that will depend on our willingness to implement the conventions on rights, environment and governance.

Editorial