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'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part II)
No. Cion doc.:	11492/23
Subject:	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation (EC) No 732/2008 - Mandate for negotiations with the European Parliament

1. The trilogue on 27 June 2023 failed to reach agreement on the review of the Regulation on applying a generalised scheme of tariff preferences (the GSP Regulation) (ST 12184/21 INIT and ADD 1-4). The Commission announced that even if agreement was reached in September, there would not be time for the new Regulation to enter into force before the expiry of the existing Regulation at the end of 2023. If this occurred, it would mean that the existing preferential tariffs for GSP and GSP+ countries would come to an end.
2. On 4 July 2023, the Commission therefore proposed to extend the duration of the existing GSP Regulation by four years to 31 December 2027 (ST 11492/23).

3. In the European Parliament, the Committee on International Trade (INTA) is responsible for the proposed Regulation. Heidi Hautala (Greens, FI) was nominated as rapporteur and she proposed to accept the Commission proposal without amendments. Furthermore, no amendments were proposed by others before the deadline fixed by the Committee of 20 July. INTA intends to approve the Commission's proposal without amendments on 18 or 19 September. The Parliament should then vote on the proposal at its plenary session on 2 to 5 October.
4. The Commission presented the proposal to the Trade Policy Committee (Generalised Scheme of Preferences) (TPC(GSP)) at its meeting on 5 July and the Committee then had an initial discussion on the proposal. In a videoconference held on 20 July, the TPC(GSP) members informally discussed the proposal again. A written consultation of the TPC(GSP) on the proposal followed on 20-24 July.
5. No substantive concerns were raised, but some Member States indicated that they had Parliamentary reserves and, given the summer period, it was not clear when these reserves could be lifted. Some other Member States indicated that, while they had no substantive concerns, they could not give their formal approval at this stage for internal procedural reasons.
6. The Presidency concluded that an agreement had been reached at technical level to endorse the Commission proposal without amendments and to proceed with a rapid adoption of the extension of the GSP Regulation.
7. On the basis of the discussions in the TPC(GSP), the Presidency believes that the Commission proposal has the support of delegations, although some Parliamentary reserves remain, and some internal procedures must be completed.

8. The Permanent Representatives Committee is therefore invited:

- To approve the text of the Commission's proposal without any modifications (subject to the revision by the lawyer-linguists of the European Parliament and the Council), with a view to reaching an agreement at first reading with the European Parliament; and
 - To authorise the Presidency to send a letter to the Chair of the European Parliament's INTA Committee confirming that, should the European Parliament adopt its position at first reading, in accordance with Article 294(3) of the Treaty on the Functioning of the European Union (TFEU), in the form set out in the Commission's proposal (subject to the revision by the lawyer-linguists of both institutions), the Council will approve the European Parliament's position, in accordance with Article 294(4) TFEU, and the act will be adopted in the wording which corresponds to the European Parliament's position at first reading.
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