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From:	Presidency
To:	Trade Policy Committee (Generalised System of Preferences)
Subject:	Review of the GSP Regulation - Presidency paper on the state of play of the Trilogue negotiations

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Review of the GSP Regulation

State of Play of the Trilogue negotiations

Introduction

This paper outlines the latest developments on the GSP review with the purpose of summarising the existing proposals in the context of the recent trilogues and inviting Member States to share their views on the key elements of possible landing zones and red lines. The aim is to use this information to resume the discussion on safeguards and help prepare the Council's position for any possible future negotiations with the European Parliament (the Parliament).

Latest developments

On 20 May 2025, Mr Lange (S&D, DE), the chair of the INTA Committee, wrote to the Polish Presidency and the Commission to inform them that he had taken over as rapporteur for the review of the GSP Regulation and that the Parliament was willing to resume trilogue negotiations on the basis of the revised Council mandate from 2024. However, Lange indicated that the Parliament wanted further changes on readmission and safeguards for rice.

On 3 June 2025, an inter-institutional technical meeting took place where the Presidency presented the Council mandate, the Parliament presented their additional requests, and the Commission indicated possible ideas to bridge the gap.

For **readmission**, to respond to the Parliament's requests, the Commission proposed a recital on WTO compatibility and further reassurances on access for the Parliament to Visa Code information where appropriate.

For **safeguards for rice**, the Commission proposed a **bridging idea**: applicable for rice and ethanol, introducing the automatic launch of the surveillance mechanism (as in the Council compromise text of March 2024) when imports from a GSP beneficiary exceed a threshold compared to total EU imports for those products, based on immediately available, real-time data. If the surveillance confirms the existence of a market disturbance, GSP preferences for those products could then be suspended.

At the trilogue of 17 June 2025 no agreement was reached on either readmission or safeguards for rice. On readmission, there was agreement on the insertion of a recital on WTO compatibility. On access to Visa Code information, the positions seemed reasonably close at the trilogue, but there was still no agreement.

On safeguards, the Parliament continued to call for automatic safeguards, as in the original Parliament mandate of May 2022. Mr Lange indicated that a **safeguard model with a tariff-rate quota** could be an option to explore. The key element in these safeguards is that when safeguards are triggered, a tariff-rate quota (TRQ) is imposed instead of the immediate reinstatement of

MFN duties on all imports. In the case of GSP, this would suggest a tariff-free quota up to a certain volume, with MFN-tariffs paid on any additional volumes. A quota-based approach could offer a credible compromise, preserving the overall generosity of the EBA arrangement.

On 19 and 23 June 2025, the Polish Presidency presented both options suggested by the Parliament to Coreper, and on 20 June it held a meeting of the TPC (GSP) to discuss the TRQ idea with the experts. However, the Polish Presidency noted that there was not sufficient support for either option in the Council. It, therefore, cancelled the inter-institutional meeting scheduled for 24 June and the possible trilogue on 25 June 2025. The Danish Presidency has now taken over the file.

Bridging Proposal

As tasked by the co-legislators at the Interinstitutional Technical Meeting on 3 June, the Commission produced a proposal aimed at bridging the positions of the Parliament and the Council.

To respond specifically to the **Parliament's** call for greater **predictability and automaticity in the rice sector**, the Commission's proposal introduces a dedicated mechanism for rice imports. Under this approach, a short-term surveillance period would be triggered **automatically** whenever rice import volumes exceed pre-defined thresholds. The specific threshold levels would remain subject to negotiation. Following the surveillance period, preferences could be removed if it is determined that the surge in imports has caused a disturbance to the EU market.

This builds on the **Council mandate of March 2024**, which creates a special surveillance mechanism which can lead to suspension of GSP preferences for all agricultural products. Under that framework, the duration of the assessment of market disturbance lasts six months (extendable up to 12) and the measure can be in place for 12 months, extendable in case the disturbance persists.

TRQ proposal

A non-paper was circulated by the Polish Presidency on 20 June describing a possible safeguard mechanism solution specific for rice in the GSP based on a TRQ-model preserving historical levels of imports. The paper describes a possible example of a TRQ safeguard solution for rice in the GSP Regulation.

The key elements of this idea are: a rice specific mechanism; an automatic trigger taking into account historical imports of rice from EBA countries; the introduction of a quota system (allowing some imports to still enter duty free), rather than immediate full suspension of preferences. The advantage of this approach is that it maintains duty-free access for EBA countries at historical levels, while also protecting EU farmers from a sudden surge in imports.

The position of the European Parliament (Article 29)

The initial European Parliament mandate of May 2022 for specific rice safeguards introduces an automatic safeguard mechanism for rice products beyond a threshold of 10% of GSP imports.

The EP mandate places this in the framework of the current Article 29 of the GSP Regulation and extends it for rice to EBA beneficiary countries

Based on current import data, this mechanism would result in the long-term suspension of EBA preferences for two countries (Cambodia and Myanmar), as their rice exports to the EU already exceed the proposed 10% threshold of GSP-imports. As in the current Article 29, the application of this threshold would be automatic, with no discretion or requirement to assess the market situation before preferences are removed.

A text informally shared by the INTA Secretariat ahead of the last trilogue on 17 June 2025, again proposed an automatic safeguard for rice, with a lower 6% threshold of total Union imports. This latest proposal diverges even further not only from the Council's mandate of 2024, but also from the EP's own initial position of 2022, by introducing lower import thresholds and significantly shorter timeframes for triggering the removal of GSP preferences for rice[1]. This reduces the legal soundness of such a measure. In this context, it is not a viable option that can serve as a compromise solution.

Moving forward

With a view to prepare upcoming negotiations, Member States are asked to share their views on the WTO-compatibility (recital text shared in WK 8590/2025 INIT[2]) and on the Parliament's request for access to Visa Code information where appropriate.
The key elements of this request are: 1) INTA committee's access to information gathered under the Visa Code, if it has an impact on a potential withdrawal of GSP preferences; this for the Parliament includes individual Member States notifications on issues related to cooperation on readmission with a specific third country and 2) the possibility for the EP to call a debate with the participation of the Commission and Member States concerned.

In addition, Member States are also asked to share their views on the key elements of the different options on safeguards described above as well as indicate any possible red lines.

In terms of safeguards, the Danish Presidency intends to focus the discussion on 17 July on the different elements presented in the two compromise options outlined above i.e. the bridging solution and the TRQ proposal by the Polish Presidency. If there is support in principle to explore the TRQ proposal, the Presidency could prepare draft text with the support of the Commission.

Comments on both safeguard options and readmission can either be made orally during our discussion or submitted in writing by 31 August.

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[1] The suspension of preferences would take effect 3 months after the threshold is met. Unlike the Article 29 proposal of the Parliament Mandate of 2022, the system proposed would require the Commission to check import thresholds every month based on provisional trade data not verified by customs authorities, instead of once a year for the previous calendar year based on verified final data as in the current system.

[2] WK 9375/2025 ADD 1 replaces the WK 8590/2025 INIT circulated on 23 June 2025 and corrects an incorrect reference in recital 27b to a transitional period of 12 months instead of 24 months, which is the one included in the Council mandate of March 2024.