



Federation of the European
Sporting Goods Industry

FEDERATION OF THE EUROPEAN
SPORTING GOODS INDUSTRY

TRADE STEERING
COMMITTEE



**FESI comments to the Inception Impact
Assessment “Towards the future
Generalised Scheme of Preferences
Regulation granting trade advantages to
developing countries”**

Brussels, 10 June 2019

On 13 May 2019, the European Commission [published](#) the Inception Impact Assessments “Towards the future Generalised Scheme of Preferences Regulation granting trade advantages to developing countries”. FESI welcomes the possibility to provide comments to the Inception Impact Assessments and would like to take this opportunity to present its view on the options put forward by the European Commission. FESI also welcomes that the Commission has already started the preparatory work for the new Generalised System of Preferences (GSP) Regulation, considering the length of the EU decision-making process and economic operators’ need to reliably scrutinize all the details of the new GSP well in advance before its entry into force. Therefore, we call for the Commission to present the text of the proposal for a new GSP Regulation in advance of its indicative planning.

FESI strongly supports the cooperation between the EU and partner countries in order to promote trade and sustainable development worldwide. FESI firmly believes that the GSP, and especially the EBA scheme, contributes to the competitiveness of products from developing countries and has a positive effect on their sustainable development by providing the conditions for sustainable economic growth, employment, by decreasing levels of poverty and improving labour rights and environmental standards. It is for these reasons that **FESI strongly opposes Option 1 discontinuation of current GSP**. In fact, the scenario might have severe negative consequences for the sustainable development of developing countries.

Of the four policy options put forward by the Commission in the Inception Impact Assessments, **FESI favours Option 2 improving the current GSP**. In order to fully serve the EU’s trade and sustainable development agenda, FESI is of the opinion that the EU GSP regime must be fair, transparent, manageable and legally predictable. Therefore, FESI strongly welcomed the 10-year-cycle of the GSP Regulation currently in force and invites the Commission to repeat it for the period 2024-2033. Furthermore, FESI suggests the following improvements to the GSP Regulation currently in force:

1. **Transparency and predictability:** To ensure a proper functioning of the graduation mechanism, FESI believes that it is essential that the principles of transparency and predictability are upheld. FESI invites the EU Commission to publish at regular intervals the statistical data needed for exporters and importers to become aware of the risk of graduation. Furthermore, FESI supports even greater transparency on GSP+ monitoring and dialogues with civil society. Finally, 24 months are the

minimum advance notice that economic operators in our sector need to properly plan their sourcing and imports and to be able to adapt to changes, whether they affect product coverage, country eligibility, graduation or product sensitivity that impact sourcing patterns.

2. **Simpler rules of origin:** FESI welcomed that in the GSP Rules of Origin currently used, at least for LDCs, only a single transformation is required for textiles and apparel. However, FESI would also encourage the European Commission to take further steps in simplifying rules of origin – by extending the single transformation rules to GSP and GSP+ beneficiaries.
3. **Rethink the classification of textile and footwear as sensitive products:** the classification of textile and apparel as sensitive products demanding special treatments and provisions is based on a historic perception of important industries and is not reflect the actual realities.
4. **Special incentive arrangement for sustainable development and good governance:** FESI believes that both the GSP and GSP+ programmes are still relevant. FESI welcomes the suggestion to update the list of conventions on core human and labour rights and environmental protection as long as the system remains sufficiently predictable and transparent.

FESI will remain at full disposal for any enquiry the Commission might have.

Founded in 1960 FESI - the Federation of the European Sporting Goods Industry represents the interests of approximately 2,400 sporting goods manufacturers (85% of the European market) through its 11 National Sporting Goods Industry Federations and its directly affiliated member companies. 70-75% of FESI's membership is made up of Small and Medium Sized Enterprises. In total, the European Sporting Goods Industry employs over 650,000 EU citizens and has an annual turnover of some 66 billion euro.