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EU GSP plus possible by end this year, says EU delegation

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Sri Lanka is to receive the EU plus facility in at least ten months but it depends on the government's efforts to resume these trade ties in compliance with international conventions on human and labour rights, the visiting European Union (EU) delegation revealed last week.

European Commission Deputy Head of GSP Plus Section and Director General Trade Nikos Zaimis told the Business Times that technically the GSP plus concessions could be granted before the end of the year but would depend on the timing of the application which is yet to be handed over.

He made this revelation on the sidelines of the EU-SL Trade Seminar organised by the European Chamber of Commerce of Sri Lanka (ECCSL) held at the Hilton Colombo Residencies.

Though government authorities remain optimistic that GSP plus could be obtained by mid this year Mr. Zaimis noted that it could take up to a maximum of ten months to process the entire application and get an approval. Responding to queries during the seminar he pointed out that the process could take up to six months and the commission has to take a decision within this period. However, if they were unable to do so the period could be extended by another two to four months. Trade policy is being used as a push for ensuring human rights values that could be implemented in trading countries, Mr. Zaimis said.

EU Ambassador to Sri Lanka and the Maldives David Daly disclosed that at the meeting held on Thursday with the local authorities they were convinced of the government's commitment in regaining the concessions. He noted that they had found progress being made in relation to human rights abuses but asserted that more work needs to be done and these issues would be taken up in future with the local authorities.

High Commissioner for Human Rights Zeid Ra'ad Al Hussein scheduled to arrive in Colombo next month that could have a direct impact on regaining the trade concessions to the EU, Mr. Daly said adding that "if it goes well it will be positive to GSP plus."

Today's trade policies of the EU centre around transparency, EC Trade Policy Coordinator for South Asia, DG Trade Andreas Julin pointed out adding that trade negotiations were usually held behind closed doors but now this should be opened up to the public at all stages of policy conduct. Deputy Foreign Affairs Minister Dr. Harsha De Silva said that in a few months time the government would be able to finalise on the progress going forward. He said that at present they have had tough and sincere negotiations during the course of last year and pointed out that the government has almost come to an agreement on how it would progress in consultation with various parties.

Institute of Policy Studies Executive Director Dr. Saman Kelegama said that apparel exports to the EU accounts for 43 per cent of the total export earnings. He pointed out that around 250, 000 workers account for one million livelihoods and the majority of workers are females who are dependent on the apparel industry. Dr. Kelegama said that while trade to the EU was essential for Sri Lanka it was not the case for the EU and added that currently the three main countries important to Sri Lanka for exports are the UK, Germany and Italy. He also highlighted that about 2000 direct employment jobs were lost due to the closure of two factories alone and about 25 apparel factories closed down resulting in 10, 000 job losses and earnings losses amounting to Rs.782 million. Industry expert Hirdramani Group Director Mahesh Hirdaramani said that Sri Lanka has a very short time to enjoy this GSP plus trade benefit and as such authorities need to take some short cuts and grant the GSP plus to the island nation.

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