



Invest in  
Manufacturing Sector of  
**Sri Lanka**  
&  
Enjoy Duty Free Access  
to the  
EU Market  
under  
**EU GSP+**

## What is EU GSP+ ?



**GSP+ is a benefit  
that is time stamped !**

The **Generalized Scheme of Preferences (GSP)** of the European Union (EU) is a trade arrangement that allows developing countries to pay less or no duties (customs duty) on their exports to the EU. GSP programmes are offered to help vulnerable countries to reduce poverty, improve governance and foster sustainable development.

**The Generalized Scheme of Preferences Plus (GSP+)** is known as a special component of the GSP scheme which provides additional trade incentives to developing countries that are already benefitting from GSP. It provides more extensive market access than the standard GSP scheme, serving beneficiary countries duty free access (customs duty) to EU markets for over 7200 products.

### **Sri Lanka and EU GSP+**

Sri Lanka began to benefit from GSP+ on 15 July 2005 and this will continue until 31<sup>st</sup> December 2023. Out of many GSP beneficiary countries, only nine countries were eligible to benefit from GSP+ where Sri Lanka is one of them. Under this special benefit Sri Lanka gains wider market access to 27 EU countries.

### **Objectives of granting Trade Preferences for developing countries:**

- I. To enhance export earnings of developing countries
- II. To promote industrialization
- III. To encourage the diversification of their economies

## Sri Lanka's Trade Relationship with EU



EU; Sri Lanka's **second largest** trading partner after USA



Sri Lanka is **among top 100** trading partners of EU



In 2020, **50%** of Sri Lanka's Total Exports to EU are **Apparel and Clothing**



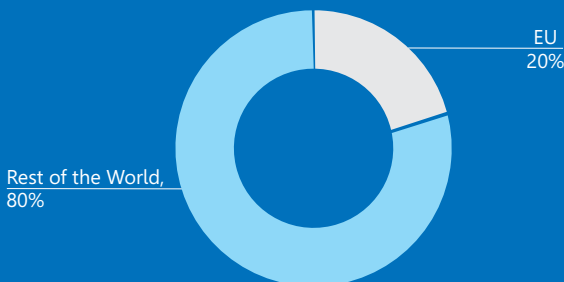
Full removal of **customs duty on over 66% EU tariff lines**



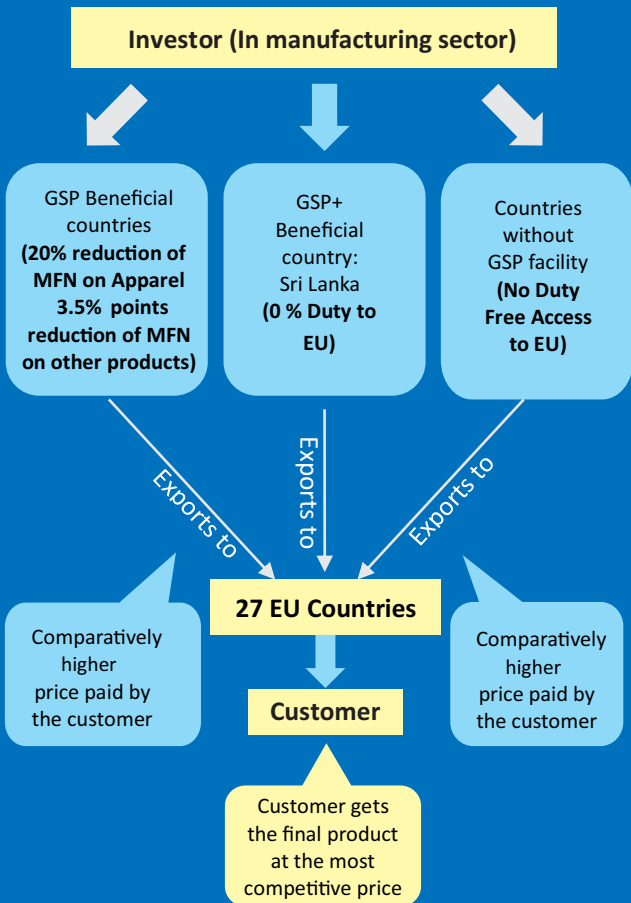
Duty free access for a **huge market** over 500 million in EU under GSP+

## Export volumes of Sri Lanka with EU

Sri Lanka's Exports (2020)



## How you get benefitted from EU GSP+ by investing in Sri Lanka?



- Creates more demand from EU countries due to competitive prices
- Investment in a country which ratifies 27 international conventions on labour and human rights
- Sri Lanka's strategic location in South- East Asia opens up gates via busy East- West shipping route to reach 27 EU countries

## Potential Sectors for investment which could be benefitted from EU GSP+



Apparel & clothing

Tobacco & Manuf.  
Tobacco Substitutes



Fish & crustaceans

Edible vegetables



Preparation of  
vegetables & fruits

Animal or vegetable  
fats or oil



Live trees & other plants,  
bulbs, roots

Coffee, Tea & Spices



Carpets and other textile  
floor covering

Preparation of meat  
of fish



Auto mobile components

Footwear



Rubber and articles

Ceremic products



Natural or cultured pearls,  
semi-precious stones

Wood & articles of wood



For full GSP+ eligible product list :



Process to be followed by an investor to claim EU GSP+ benefit:

1. Check whether product is eligible for EU GSP+ Concessions
2. Check whether it complies with Rules of Origin (ROO) For further information on ROO.

Please find the product eligibility and ROO using the QR code



3. If eligible, company should get registered with EU REX system through Department of Commerce (DOC) and Submit Statement on Origin (SOO) through REX to obtain GSP+ concessions. Please scan the QR code;



For more information contact the Department of Commerce as the implementing Authority

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