

Uzbekistan has been granted status of the beneficiary of the European Union's «GSP+» system of preferences



10 April 2021 **Uzbekistan** has been accepted as a beneficiary country under the **Generalized Scheme of Preferences (GSP)** of the European Union.

As a member of the **GSP+** system, Uzbekistan receives additional economic benefits compared to standard GSP through the complete elimination of tariffs on two-thirds of the

product lines covered by the GSP, which in turn will boost exports and attract additional investment to Uzbekistan. GSP+ commitments in the field of sustainable development further strengthen the position of Uzbekistan as a reliable and forward-thinking economic partner.

The level of use of preferences under the GSP in Uzbekistan is currently 87%. The product segments that benefit most from the reduced incentives are textiles and clothing, plastic products, fruits, nuts and vegetables, indicating that Uzbekistan's export structure is already more diverse than its Central Asian neighbors.

The GSP+ scheme offers an additional opportunity to boost trade between the EU and Uzbekistan as tariffs are lifted on a number of important export commodities such as textiles, clothing and plastics. Despite the relative proximity to the EU market, the trade potential has not yet been fully exploited, as the EU is only seventh in the list of Uzbekistan's export destinations.



But GSP+ is more than just a trading tool. By joining the GSP+ scheme, low- and low-middle income countries commit to effectively implement **27** core international conventions on human and labor rights, environmental and climate protection, and good governance. The GSP Regulation provides for ongoing monitoring of the obligations of GSP+ recipients.

The acceptance of Uzbekistan as a GSP+ beneficiary reflects reforms and consistent positive developments in the socio-economic and labor spheres in Uzbekistan under the the **President H.E. Mr. Shavkat MIRZIYOYEV**. The Government of Uzbekistan has initiated many ambitious reforms, in particular to improve the business climate, the judiciary, security services, working conditions, and administrative accountability and efficiency.

A lot has been done to eradicate the systemic use of child labour in the cotton harvest and production processes in Uzbekistan. The International

Labor Organization (ILO), in its Third-Party Monitoring of the cotton harvest in 2018 and 2019, confirmed the elimination of systematic or systemic use of child labour in the cotton harvest. The ILO Third-Party Monitoring of the 2019 cotton harvest concluded that systemic or systematic use of adult forced labour had been eliminated too. These results were confirmed by the latest ILO Third-Party Monitoring report on the 2020 cotton harvest, released in January 2021.

Uzbekistan's GSP+ status is an opportunity to support the country in its economic development and in building a more sustainable future. GSP+ also gives possibility to monitor the effective implementation of the 27 GSP+ relevant conventions. This monitoring will be based on an on-going dialogue with the Government of Uzbekistan and other relevant



stakeholders, including through in-person monitoring visits as soon as conditions allow, with specific focus on the identified shortcomings.

In this regard **Joint Chamber of Commerce (JCC)** is ready to cooperate with partners from Uzbekistan in order to assist in development of trade-economic cooperation with its members.