NORWEGIAN MINISTRY
OF FOREIGN AFFAIRS

Rapport

Import from developing countries

Review of Norway's Generalised System of Preferences (GSP) for import of goods from developing countries.

NORWEGIAN MINISTRY
OF FOREIGN AFFAIRS

Report

Import from developing countries

Review of Norway's Generalised System of Preferences (GSP) for import of goods from developing countries.

Report of a working group chaired by the Ministry of Foreign Affairs, with participation of the Ministry of Finance, the Ministry of Fisheries and Coastal Affairs, the Ministry of Government Administration, Reform and Church Affairs, the Ministry of Agriculture and Food and the Ministry of Trade and Industry as well as the Norwegian Agency for Development Cooperation (NORAD), the Norwegian Agricultural Authority and the Directorate of Customs and Excise.

The WTO/OECD Section, Department for European Affairs and Trade Policy,
Ministry of Foreign Affairs

Contents

1. Introduction.

The Norwegian Generalised System of Preferences (GSP) for import of goods from developing countries allows lower tariffs to be imposed on goods from developing countries. The purpose is to increase the export income of the developing countries as a contribution to economic and social development. The system is authorised by an exception to the principle of non-discrimination in the rules of the World Trade Organization (WTO). The Norwegian GSP scheme was established in 1971.

A number of reviews of and amendments to the Norwegian GSP scheme have been carried out over the years. One of the most important amendments was the implementation of duty and quota-free market access for all goods from the least-developed countries (LDCs) in 2002 ("the zero-tariff scheme").

The most recent amendments were implemented from 1 January 2008. It was decided that the GSP scheme should include countries on the OECD list of approved aid recipients ("the DAC List of ODA Recipients"). In addition, the zero-tariff scheme was extended to include 14 low-income countries with fewer than 75 million inhabitants, and thus included a total of 64 countries. A list of these amendments is given in *Proposition No. 1 to the Storting (2007-2008) Tax and Customs Resolutions.*

In 2011, the Ministry of Foreign Affairs decided to initiate a project to assess experiences of the amendments that had been made and to consider further measures to encourage increased imports from developing countries. In spring 2011, as a part of this work, funding was advertised for a study which, following an open invitation to tender, was assigned to the Norwegian Institute of International Affairs (NUPI). NUPI's report *Norsk handel med de fattigste - mellom profitt og utviklingspolitikk* [Norwegian trade with the poorest countries – between profit and development policy] was published in January 2012.

In spring 2012, the Ministry of Foreign Affairs invited relevant ministries to take part in an inter-ministerial group to assess experiences and potential improvements in the GSP scheme. The work has been led by the WTO/OECD Section of the Ministry of Foreign Affairs. Representatives for the Ministry of Finance, the Ministry for Fisheries and Coastal Affairs, the Ministry of Government Administration, Reform and Church Affairs, the Ministry of Agriculture and Food and the Ministry of Trade and Industry, as well as the Norwegian Agency for Development Cooperation (NORAD), the Norwegian Agricultural Authority and the Directorate of Customs and Excise have participated in the work.

The framework for the work of the group is the Government's policy as expressed in its political platform and in white papers and propositions submitted to the Storting in the various policy areas.

2. Developmental trends.

2.1. Norwegian imports from developing countries.

It is customary to differentiate between two types of goods: *agricultural goods* and *non-agricultural goods*[1].

For most non-agricultural goods, import into Norway is tariff free from all countries, which places developing countries on an equal footing with all other countries, thereby precluding benefit from any preference. The exception is certain *textiles and clothing products,* for which the remaining tariffs for "ordinary" developing countries[2] lie between 7% and 13.7%. For these goods, the very poorest countries enjoy a competitive advantage implicit in the zero-tariff scheme.

Norway exempts over one-third of agricultural goods from import tariffs, whereas *sensitive* goods such as meat, dairy products, cereal products and certain plants/vegetables/fruit are protected by high tariffs. In the case of sensitive goods, the zero-tariff scheme gives the poorest countries a preference margin of up to several hundred per cent, whereas the preference margin for ordinary GSP countries is considerably more modest, as a rule 10–15%.

The figure is derived from the NUPI report, and shows import trends from the various groups of developing countries during recent years. The most rapid increases have been in imports from China, followed by ordinary developing countries and developing countries with which Norway has concluded free-trade agreements.

In 2010, imports from China comprised over half of Norway's imports of goods from developing countries. However, most imports from China, with the exception of certain textile goods, are *not,* at the outset, sub-

1 Non-agricultural goods, often referred to in Norwegian as "industrivarer" [industrial goods], include fish and fishery products.

2 I.e. all developing countries that fall under the GSP scheme but do not enjoy access to tariff-free and quota-free import.

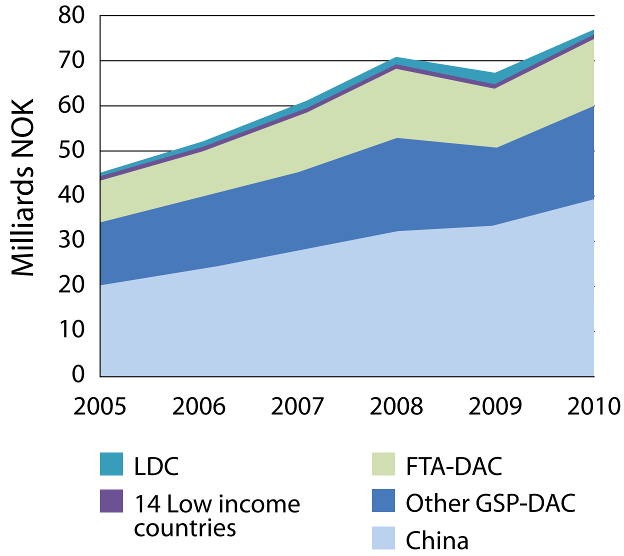

Figure 1. Imports from developing countries 2005–2010 in NOK billions. Source: NUPI.

ject to tariffs. The tariff preferences therefore have little significance for trade flows.

As regards agricultural goods, imports of inputs for fish feed from Brazil and Peru showed particularly strong growth, and imports of meat from Botswana and Namibia increased as a result of tariff-free import limits and quotas.

Imports from zero-tariff countries showed generally weak growth during this period. However, in the case of agricultural goods, the amendments implemented in the GSP scheme from 2008 had a positive effect in certain areas. One example is the low-income country Kenya, which has developed a considerable export of roses since the country was included in the zero-tariff scheme. This export has partly been at the expense of imports from the LDC Tanzania.

Other products that have shown a positive trend include sugar snap peas from Guatemala and honey from Ethiopia and Zambia. As regards non-agricultural goods, textiles and clothing products from Bangladesh dominate imports from zero-tariff countries.

The NUPI report shows that much of the import into Norway is indirect. The size of the Norwegian market indicates that the volume of trade of certain goods is not large enough to justify shipping goods directly to Norway, and consignments are therefore sent to Norway via, for example, ports in the Netherlands. Transit trade is partly due to geography, transport, logistics and necessary trade operations.

At the same time, the report shows considerable price mark-ups, and reveals that the profits in connection with indirect imports are made by others than the exporters. The report indicates that this may be due to weak competition in Norway, and pure profit to commercial players. Moreover, many exporters acquire no knowledge of Norway or Norwegian market conditions since much of the trading takes place indirectly. One element of a policy to support more direct trade thus involves providing more direct information to exporters.

In relation to the goal of increasing imports from the poorest countries, the amendments to the GSP scheme in 2008 may be said to have provided certain positive results. It is nevertheless the case that even a tariff preference of several hundred per cent for the very poorest countries is not always sufficient to increase imports, and only in special cases has it been possible to develop trade of a significant commercial volume.

The NUPI study shows that trade is dependent on a number of preconditions, such as quality and price, security of supply, transport and logistics, public and private standards, organisation of trade flows and support functions, e.g. those associated with customs administration, port authorities, trade financing, etc.

In the very poorest countries, such basic supply-side problems are responsible for the failure to respond adequately to requirements regarding quality, security of supply and standards, and therefore constitute the main obstacle to development of export of goods to countries such as Norway. However, success stories, such as flowers from Kenya, demonstrate that new market potential also provides incentives for solving supply-side challenges. Achieving the goal of increasing imports from the poorest countries seems nevertheless to require supplementation of GSP measures with targeted efforts to combat supply-side constraints by means of our development cooperation ("Aid for Trade").

2.2. Amendments to the DAC list.

Since 2008, the GSP scheme has been based on the OECD official list of aid recipients (the DAC list (see Annex 1)). In the list, countries are divided into various income groups:

- Least Developed Countries (LDC)
- Other Low Income Countries (LIC)
- Lower Middle Income Countries (LMIC)
- Upper Middle Income Countries (UMIC)

Since the previous review, the country groups have been amended. The DAC list was revised in 2008 and in 2011. There has been a general tendency for countries to move up to higher income groups (see Annex 2). This trend gives rise to challenges if the preference advantages provided via the GSP scheme are not adjusted in accordance with the rules that apply to the various income groups.

The result is that countries in the same income group are treated differently. Currently, a total of 10 countries that have moved up from the LDC/LIC group continue to enjoy tariff exemption on all goods. Nine of the countries are in the LMIC group and one country is in the UMIC group. This may give rise to reactions from countries in the same income group who feel discriminated, and the system would not comply with the fundamental principles based on WTO principles, which emphasise that preferential treatment must be based on objective criteria.

2.3. Free-trade agreements.

Norway, via EFTA, has concluded 24 free-trade agreements with a total of 33 countries, a considerable number of which are on the OECD list of recipients of official development assistance (ODA).[3] The main rule is that countries with which free-trade agreements have been concluded are withdrawn from the GSP scheme.[4] Owing to the trend towards an increasing number of free-trade agreements with developing countries, free-trade agreements have become a more important instrument than before for the developing countries' access to the Norwegian market.

Of the 54 countries and territories in the group of upper middle-income countries (UMIC), the EFTA states have already concluded free-trade agreements with 15 countries, while negotiations have been initiated or cooperation agreements concluded with a further 13 countries, including the bilateral negotiations with China.

In the lower middle-income countries group (LMIC) there are 40 countries, of which the EFTA states have established free-trade agreements with five countries. Negotiations are ongoing or cooperation agreements concluded with nine countries. The most important of these are the negotiations with India, Indonesia and Vietnam. In addition, it must be expected that further negotiations will be initiated in the years ahead.

To a much greater extent than before, free-trade agreements form the basis for market access to Norway. In other words, most developing countries with a certain potential for export to Norway will in time be covered by free-trade agreements, and the GSP scheme will therefore have importance for a smaller number of countries than before.

For all countries except LDCs, the concessions granted via free-trade agreements are normally at least as good or better than those granted via the GSP scheme. In addition, free-trade agreements facilitate increased trade between the parties by creating stable and predictable framework conditions for trade. Since a major objective of free-trade agreements is to ensure good competitive conditions for Norwegian business and industry in other markets, there is a need to have something to offer from the Norwegian side in negotiations.

2.4. Agreements with the EU.

By virtue of the EEA Agreement, Norway is part of the internal market. The agreement also provides tariff exemption or preferences in the Norwegian market for the goods of the EU member states.

There are no tariffs on non-agricultural goods imported to Norway from the EU. Developing countries covered by the ordinary GSP scheme have thus less advantageous market access to Norway for textiles and clothing products that are still subject to tariffs in the GSP.

Where agricultural goods are concerned, trade with the EU is regulated by Article 19 of the EEA Agreement in the case of basic agricultural goods and by Protocol 3 of the EEA Agreement in the case of certain processed agricultural goods. These instruments provide tariff preferences for goods from the EU, which in many cases are more advantageous than the preferences provided to "ordinary" developing countries via the GSP.

In other words, developments in agreements with the EU have resulted in a weakening of the relative value of the preferences of the GSP scheme.

3 **Developing countries with which Norway has concluded free-trade agreements via EFTA:**
Upper middle-income countries (UMIC): Mexico, Albania, Chile, Tunisia, Turkey, Botswana, Namibia, South Africa, Serbia, Jordan, Lebanon, Macedonia, Montenegro (not in force), Peru and Colombia (not ratified).
Lower middle-income countries (LMIC): Egypt, Morocco, the Palestinian Territory, Swaziland and Ukraine. Countries in the LDC group: Lesotho.

4 The exception is the SACU countries, which have retained GSP preferences in parallel with the EFTA agreement.

3. Inclusion of countries in the GSP scheme.

Although alternatives exist, the working group finds no weighty arguments for amending the basic principle that the GSP scheme is based on the DAC list. It is nevertheless necessary to establish clear routines for dealing with amendments to the DAC list involving movement of countries to other income groups. In the NUPI study, it is proposed that countries should automatically graduate from the zero-tariff scheme when they have been in a higher income group for three years.

3.1. Treatment of middle-income countries.

In the NUPI study it is pointed out that the transition from belonging to the group that benefits from tariff exemption to the group that benefits from ordinary GSP preferences is very great. In many cases, it involves a difference in tariffs of several hundred per cent. In the study it is proposed that a third income group be established for the group of lower middle-income countries as a kind of "intermediate status" between zero-tariff status and ordinary GSP status. It is pointed out in the study that this group of countries also has many poor inhabitants, and consideration should be given to providing the LMIC group with almost as advantageous preferences as the zero-tariff group.

The working group shares the view that combining a transitional arrangement with an increased number of steps on "the preference ladder" will make the transition less dramatic when countries graduate to a higher income group.

As regards transitional arrangements for countries that move up to a higher income group, it is proposed that the preferences for the new group should not take effect until the country has been placed in a higher income group by two successive DAC revisions[5].

In the case of countries that move down to a lower income group, it is proposed that they be granted preferences on a par with other countries in the same group at the first opportunity following revision of the list. In this way, such countries avoid meeting less favourable conditions than countries in the same income group. This is particularly important since a country that is moved to a lower income group must be viewed as being in a very difficult situation[6].

5 In practice, this means that a country that was an LDC in 2008 but moves up to the LMIC group in 2011 and in 2014 will not lose its LDC preferences (i.e. tariff exemption) until 2015.

6 Countries that move down to LDC in the list in 2014 will in other words benefit from tariff exemption from 2015.

Countries are currently included in the zero-tariff scheme on the basis of the DAC list of 2006. The list of countries included in the zero-tariff scheme will therefore be adjusted on 1 January 2013 in relation to the amendments in the DAC list of 2008 and 2011.

The working group has discussed the possibility of extending the zero-tariff scheme to include lower middle-income countries with fewer than 75 million inhabitants. However, the LMIC group includes a number of countries that are far more competitive than the very poorest countries in the LDC/LIC group. An extension of the zero-tariff scheme would thus undermine the zero-tariff countries' preferential advantages, just as the previous extension of the scheme resulted in a displacement of rose imports from Tanzania to Kenya. However, with the exception of flowers, the poorest countries have not been able to exploit the considerable preferences that apply to many agricultural goods. The risk that preference erosion will harm the poorest countries is, in practice, therefore limited. The LMIC group moreover includes countries that either are or may become very competitive exporters of goods that are sensitive in Norway. All things considered, the working group will therefore *not* recommend an extension of the zero-tariff scheme to include countries in the LMIC group.

The working group nevertheless acknowledges the value of establishing an intermediate level (hereafter referred to as "GSP plus"), where lower middle-income countries (LMIC) are granted more favourable preferences than those currently granted to the ordinary GSP countries. A smoother transition between the income groups is thereby accomplished. In the previous revision of the GSP system, the zero-tariff scheme was limited to countries with fewer than 75 million inhabitants, and the working group recommends that the intermediate level of the preference hierarchy be similarly limited[7].

The group of lower middle-income countries includes a total of 40 countries. Six countries have over 75 million inhabitants[8] and fall outside "GSP plus", but retain ordinary GSP treatment. In addition, the EFTA states have agreements with five countries in the LMIC group that have been withdrawn from the GSP

7 There is broad international acceptance for identifying the degree of poverty and economic vulnerability in terms of gross national income (GNI) per inhabitant. An additional factor used for determining the degree of vulnerability is population size. 75 million inhabitants is the limit used by the UN for identifying which low-income countries are to be deemed LDCs.

8 The Philippines, India, Indonesia, Nigeria, Pakistan and Vietnam.

scheme[9]. "GSP plus" will thus include a total of 29 lower middle-income countries.[10] The scope of preferences for the countries in "GSP plus" is discussed under the review of goods in chapters 5 and 6.

3.2. Recommendations.

- Inclusion of countries in the GSP scheme should continue to be based on the DAC list.
- The main rule that countries that enter into a free-trade agreement are to be withdrawn from the GSP scheme should be upheld.
- It is proposed that a new intermediate level be established where preferences are more favourable than "ordinary" GSP treatment but less favourable than the zero-tariff scheme. The GSP scheme would then be based on the following structure:
  - **Ordinary GSP countries:** Upper middle-income countries (UMIC) as well as lower middle-income countries and low-income countries with more than 75 million inhabitants.
  - **GSP plus:** Lower middle-income countries (LMIC) with fewer than 75 million inhabitants.
  - **GSP zero:** All least-developed countries (LDC) and low-income countries (LIC) with fewer than 75 million inhabitants.
- In the case of countries that move up to a higher income group, the preferences that apply to the new group should take effect at the beginning of the year after the country is placed in a higher income group by two successive DAC revisions.
- Countries that move down to a lower income group should be granted preferences on a par with other countries in the same group from the beginning of the following year.

4. GSP treatment for Botswana, Namibia and Swaziland.

The free-trade agreement between the EFTA states and the Southern African Customs Union (SACU)[11] is a special case in that Norway committed itself to uphold GSP in parallel with the free-trade agreement for all SACU member states.

One of the reasons for this special arrangement was that Botswana and Namibia, via the GSP scheme, were originally granted tariff-free access for almost all goods[12], similar to that of the LDCs. These conditions were retained by Botswana and Namibia although both countries are now in the highest income group (UMIC). In 2009, Swaziland was granted the same conditions as Botswana and Namibia under the GSP scheme[13]. The reason for this was the wish for equal treatment of small economies in southern Africa. Today, Swaziland is in the second highest income group (LMIC).

There are historical reasons for this special treatment, but it is viewed as a challenge that this arrangement involves discrimination of other countries at the same income level. WTO principles in this area require the preference system to be based on objective criteria. When Norway presented the most recent amendments of the GSP scheme to the WTO in 2008, the main principles concerning use of the DAC list and limitation of the zero-tariff scheme to LDCs and LICs with fewer than 75 million inhabitants was recognised by the member states. On the other hand, critical questions were asked concerning the basis for special treatment of Botswana and Namibia.

The working group holds the view that, out of regard for the robustness of the GSP scheme, it is important to maintain a predictable and consistent system, with a solid foundation in existing WTO principles. Moreover, the system should as far as possible be perceived as fair and balanced, among other things, by seeking to ensure equal treatment of countries where equal conditions exist.

Termination of special treatment need not result in less favourable import conditions for the three countries since the free-trade agreement between the EFTA states and SACU is additional to the GSP scheme. For example, the existing market access for meat from these countries via the GSP scheme could be maintained by establishing new quotas within the framework of the free-trade agreement. This would be of interest to the countries concerned since the free-trade agreement provides greater predictability owing to the fact that the obligations associated with the free-trade agreement cannot be withdrawn unilaterally in the same way as GSP preferences.

9 Egypt, Morocco, Swaziland, Ukraine and the Palestinian Territories.

10 Armenia, Belize, Bolivia, Ivory Coast, El Salvador, Fiji, Georgia, Ghana, Guatemala, Guyana, Honduras, Iraq, Cameroon, Cape Verde, Democratic Republic of the Congo, Kosovo, Marshall Islands, Micronesia, Moldova, Mongolia, Nicaragua, Papua New Guinea, Paraguay, Sri Lanka, Syria, Tokelau Islands, Tonga, Turkmenistan and Uzbekistan.

11 Botswana, Lesotho, Namibia, Swaziland and South Africa

12 The special arrangement provides tariff exemption for all goods except cereals, flower, feedingstuffs and meat. In the case of bovine meat an indicative ceiling has been established for tariff-free import of 2700 tonnes. In addition, there is an indicative ceiling of 400 tonnes on meat of sheep from Botswana, Namibia and Swaziland.

13 In the case of bovine meat, an indicative ceiling has been established for 500 tonnes tariff-free import from Swaziland

4.1. Recommendations.

- The special treatment of Botswana, Namibia and Swaziland should be terminated, and the treatment should be amended in compliance with the principles of the GSP scheme.
- The existing market access for meat of bovine animals and sheep should be upheld in the GSP system until this can be replaced by quotas within the framework of the free-trade agreement with SACU.

5. Tariff preferences for agricultural goods.

For many goods not produced in Norway, for example tropical fruit, nuts, spices, etc., no tariff is imposed, regardless of their origin. This applies to approximately one-third of all agricultural goods.

In the case of categories of goods with considerable Norwegian production, imports are limited by strict tariff barriers. These are strictest for meat and meat products, dairy products and cereals/feedstuffs. In the case of vegetables and fruit, a seasonal tariff is normal, and tariffs are therefore higher during the periods when Norwegian-produced goods are available. For the most sensitive goods, the preferences via the GSP scheme result in a 10% reduction. Hence, a good with a normal tariff of NOK 40 will be charged a tariff of NOK 36. Preferences otherwise vary from 15% to 100%.

The working group has systematically reviewed all relevant categories of agricultural goods, inter alia, on the basis of import figures for all tariff lines where imports in 2011 exceeded NOK 10 million. The intention was to attempt to identify potential improvements and measures for encouraging increased imports from developing countries.

5.1. Meat.

Production of meat of bovine animals, swine, sheep and poultry has a central place in Norwegian agricultural policy, but there is a certain need for imports in some sectors where consumption in Norway exceeds Norwegian production. The Norwegian annual meat production is in excess of 300 000 tonnes, which corresponds to over 95% of the Norwegian market. However, there are variations between types of meat, where the domestic share of production of bovine meat was less than 90 % in 2011, whereas, in the case of meat of swine, there is generally a slight overproduction, but also somewhat limited import.

3700 tonnes of bovine meat can be imported within the framework of an indicative ceiling and quotas from Botswana, Namibia and Swaziland in addition to 1084 tonnes within a WTO quota that is open to all countries. In addition, approximately 300 tonnes of fillets is imported each year at the full tariff, which indicates that the tariff barriers are not sufficient to prevent import, and an increase in the GSP preference (currently 10%) could therefore be expected to result in increased import.

Other import needs are regulated by means of administrative tariff reductions for a limited time period. Fresh and chilled carcasses are imported for further processing in Norway. Such needs are in practice met by imports from neighbouring countries.

5.2. Milk, dairy products and eggs.

Milk production has a central place in Norwegian agricultural production, and must be deemed a very sensitive sector. Consumption of fresh consumer milk is covered by domestic production, and the domestic share of production for other dairy products, such as butter and cheese, is over 90%. However, there is an increasing import of various dairy products, particularly cheese from the EU, which is imported both within a negotiated quota and outside the quota at the full tariff. There is moreover little competitive production of dairy products in developing countries, which limits the potential for such imports. The high level of egg production in Norway in recent years has resulted in only marginal imports.

5.3. Honey.

Norwegian honey consumption totals approximately 1500 tonnes, of which imports amount to approximately 500 tonnes. In 2011, imports from developing countries amounted to 403 tonnes, including imports from Argentina (171 t), Ethiopia (121 t), China (58 t), Zambia (43 t) and Nicaragua (10 t). Certain honey-producing countries have had difficulty in receiving approval in accordance with Regulation (EC) No 396/2005 on maximum residue levels of pesticides in or on food and feed of plant and animal origin, but two LDCs, Ethiopia and Zambia, are among the largest exporters of honey to Norway, which shows that LDCs too can succeed in exporting. As well as being eligible for zero tariffs, LDCs have access to a tariff-free quota of 192 tonnes that is open for import from all GSP countries.

5.4. Plants/flowers, vegetables, fruit and nuts.

Norwegian-produced vegetables provide for just over half of domestic consumption, and have shown a falling trend for some time. The domestic share of production of consumer potatoes in Norway (approximately 70%) fluctuates according to the yield level. Norwegian-produced fruit and berries amount to less than 5% of the domestic consumer market.

Customs protection varies considerably between products. Many goods are tariff free, while sensitive goods are protected by tariffs, which in some cases are high, and by seasonal tariffs.

The zero-tariff scheme has laid the basis for considerable imports of cut flowers from countries such as Kenya and Ethiopia. Another success story is that of sugar snap peas which are imported from both ordinary GSP countries such as Guatemala and Peru and from zero-tariff countries such as Kenya, Zimbabwe and Zambia.

Following the Article 19 negotiations, the EU was granted tariff exemption on a number of goods within this category. As a result of this, goods from ordinary GSP countries are granted less advantageous market access than goods from the EU.

5.5. Cereals, flour and feedingstuffs.

Cereal production has a central place in Norwegian agricultural policy. The domestic share of production of cereals as an input for animal feed flour for human consumption varies according to the annual yield. Low yields during recent years have resulted in a fall in volume of the Norwegian share amounting to approximately 57%. In addition, the import share of the total cereal consumption has increased as a result of increasing imports of ready-made bakery products.

Owing to the variation in import needs, cereal imports are carefully regulated by means of quotas and administrative tariffs, where volumes and tariffs are decided on the basis of import needs and the difference in price between the world market and the domestic market.

Developing countries are major suppliers of rice and soya beans, but these goods are not subject to tariffs when they are to be used for human consumption. In the case of ordinary cereals, the GSP countries are granted a preference of 10%, but most imports are from the EEA area and other industrialised countries.

A special case is fish oil for fish feed, where, of an import value of over NOK 1.2 billion in 2011, approximately one-quarter came from GSP countries. The GSP scheme grants 10% preference in this case, whereas imports from the EU are exempt from tariffs.

5.6. Processed agricultural goods.

A large and complex product group is that of processed goods, where sensitivity (and thus the tariff imposed) is closely associated with the inputs used in the production of the ready-made goods. Processed meat products are therefore just as sensitive as unprocessed meat.

Processed agricultural goods are subject to Protocol 3 of the EEA Agreement, which stipulates lower tariffs on many processed goods from EU member countries than on corresponding goods from other countries, leading in general to less favourable conditions for GSP countries than those enjoyed by the EU.

A possible way of dealing with this is to improve GSP preferences for the same goods, so that developing countries are given competition conditions equally favourable to those of the EU. However, the consequences of this have not been assessed. The preferences given to the EU are closely associated with the price compensation scheme, which involves state subsidies for equalization of raw material prices for processed agricultural products.

5.7. Improvement of the tariff preferences for agricultural goods.

The level of tariff preferences is generally decided on the basis of an assessment of the sensitivity of the goods in relation to Norwegian agricultural policy goals. No increase in the level of preferences should therefore be made without first conducting a thorough assessment of the potential consequences. Since it has no mandate to conduct such a broad impact assessment, the working group has discussed potential amendments to the preferences on the basis of assessments and reviews conducted in other contexts.

At the same time, priority is given to improving the conditions for the “intermediate group” of lower middle-income countries with fewer than 75 million inhabitants (“GSP plus”).

In negotiations with the EU on trade in basic agricultural goods on the basis of Article 19 of the EEA Agreement, the EU was granted tariff exemption for certain flowers, cuttings, vegetables, fruit, oils and preserved vegetables. Of these products, 49 tariff lines are not exempt from tariffs in the GSP system. The import value of these goods was NOK 1.1 billion in

2011. It is proposed that "the intermediate group" (GSP plus) be granted tariff exemption for these goods.[14]

Furthermore, in the WTO negotiations, a list of "tropical products" has been negotiated, involving either tariff exemption or considerable tariff reductions. It is envisaged that the list will be included as part of the final result of the Doha Round, which is currently at a standstill. Since an assessment of the consequences of the relevant tariff reductions has already been made, it is proposed that the "tropical list" be used as a basis for improvement of the preferences. This involves proposal of exemptions for a further two tariff lines, and increase of the preference for 15 other tariff lines by 50 per cent for the "intermediate group" (GSP plus).[15]

Fish oil for animal feed: It is proposed that the preference be increased from 10% to 100%, i.e. full tariff exemption for imports from all GSP countries.

Soya bean oil cakes are a raw material used in the production of animal feed. In 2011, the import value was approximately NOK 250 million, of which most is already imported from developing countries. In order, if possible, to encourage an even higher import share from developing countries, it is proposed that the GSP preference be increased by means of administrative tariff reductions from 10% to 20% (in the case of bulk goods, even quite moderate changes may affect trade flows). It is proposed that this should apply to all GSP countries.

Cereals: In order to shift more cereal imports to developing countries, it is proposed that the GSP preference on administratively reduced tariffs be increased from 10 to 20 per cent within the marketing arrangement for cereals. It is proposed that this should apply to all GSP countries.

5.8. Quotas.

In addition to the tariff and quota-free access to the Norwegian market enjoyed by LDCs, a number of tariff-free quotas have been established for other GSP countries.

In the case of honey, a quota of 192 tonnes is open for import from all GSP countries. A possible measure might involve increasing this quota somewhat, but this might undermine imports from LDCs that enjoy tariff exemption. Moreover, figures show that 80% of honey imports already come from developing countries.

As part of the GSP scheme, tariff-free quotas have already been established for three preserved meat products, corned beef, ham and tongue, and four preserved vegetable products, string beans, green beans, peas and mixed vegetables. Some of these quotas are not fully exploited, partly owing to changes in patterns of consumption. Since the quotas are not at present fully exploited, no increase in the quota volume is currently being considered. However, merging of quotas is proposed, which may afford greater flexibility to the importers.

Molasses is an important raw material in animal feed production, which moreover is mainly produced in developing countries. Norway currently imports molasses from India and Pakistan among other countries, and imports to Norway in 2011 totalled approximately NOK 66 million. In order to encourage increased import from developing countries, it is proposed that a tariff-free quota of 40 000 tonnes be established to be open for all GSP countries.

5.9. Individual tariff reductions for niche products.

In pace with changes in the population and in patterns of consumption, there are increasing imports of various niche products originating in developing countries (e.g. rice noodles and preserved bamboo shoots). Such products are generally included in broad miscellaneous items in the Customs Tariff, which may also include more sensitive products. However, such goods not viewed as sensitive are granted routine tariff reduction/exemption in response to individual applications. The Norwegian Agricultural Authority processes approximately 4000 such applications annually, and the tariff reductions granted apply for one year at a time.

The alternative to the system of individual tariff reductions would have been to classify the inventory in the Customs Tariff so as to facilitate distinction between sensitive and non-sensitive niche products. Such a classification would be demanding, and would moreover result in an even more complex Customs Tariff. However, the possibility of simplifying the system should be considered in order to facilitate increased import from GSP countries. It is furthermore important that the potential for individual tariff reductions is well known, and the working group recommends that the information on the arrangement be strengthened.

14 See Annex 3 (item 1) for a detailed list of the goods included.

15 See Annex 3 (item 2) for a detailed list of the goods included. These are goods for which the current GSP provides preferences of 10–15%.

5.10. Recommendations.

For countries in the groups "Ordinary GSP countries" and "GSP plus" the following amendments are proposed:

- Within the marketing arrangement for cereals, the GSP preference on administratively reduced tariffs should be increased from 10% to 20%.
- In the case of soya bean oil cakes for animal feed, the GSP preference on administratively reduced tariffs should be increased from 10% to 20%.
- Fish oil for animal feed should be subject to tariff exemption.
- A tariff-free GSP quota of 40 000 tonnes should be established for molasses.
- Quotas for preserved tongue and preserved ham should be merged.
- Quotas for preserved peas, string beans and green beans should be merged.

The following additional amendments are proposed for **"GSP plus"**[16]

- On the basis of the "Article 19" list, 49 tariff lines should be made subject to tariff exemption.
- On the basis of the "tropical list", two tariff lines should be made subject to tariff exemption and 15 tariff lines to 50% tariff reduction.

Other matters:

- In connection with the next revision of the Regulations concerning administrative tariff reductions for agricultural goods, it is proposed that the Ministry of Agriculture and Food and the Norwegian Agricultural Authority examine the potential for adjusting the arrangement for individual tariff reductions in order to facilitate GSP import.

It is proposed that measures be assessed for improvement of the information concerning the potential for individual tariff reductions.

6. Tariff preferences for non-agricultural goods.

Norway has gradually removed all tariffs on non-agricultural goods, with the exception of certain clothing and textiles. Proposals for elimination of the remaining tariffs have been submitted on several occasions. Developing countries currently pay over 80% of the non-agricultural tariff. Removal of tariffs generally results in simpler framework conditions and frees administrative resources for enterprises. It may in addition help to reduce import prices and promote the economic gain derived from trade associated with exploitation of a country's relative advantages in connection with production of goods and services.

When the question of tariffs on non-agricultural goods was last discussed in connection with revision of the GSP scheme in 2008, it was maintained that the strict rules of origin prevented the poorest countries from exploiting the zero-tariff scheme. Since then, the rules of origin have been simplified, particularly in favour of LDCs, thereby facilitating compliance with the origin criteria. This weakens the origin argument for elimination of tariffs out of regard for the poorest countries. However, the NUPI study draws attention to the fact that the information on the current rules of origin is not easily accessible.

It can also be maintained that elimination of tariffs will reduce the preference margin – and thus the competitive advantage – enjoyed by zero-tariff countries, and exploited by countries such as Bangladesh and Cambodia in order to increase their exports to Norway. On the other hand, the remaining tariffs are relatively modest, which indicates that the poorest countries would not be likely to suffer considerable losses should the preferences be weakened. However, it is desirable to improve the preferences and thus strengthen the export potential of the "second poorest" countries, i.e. the group of lower middle-income countries, in non-agricultural goods as well. The working group therefore recommends that the countries included in "GSP plus" be granted tariff exemption for all non-agricultural goods.

6.1. Recommendations:

- It is proposed that lower middle-income countries with fewer than 75 million inhabitants ("GSP plus") be granted 100% preference, i.e. tariff exemption, for the non-agricultural goods still subject to tariffs.
- It is proposed that measures be considered for improvement of the information concerning the current rules of origin.

7. Public and private standards.

The NUPI study documents that public and private standards are of major importance for trade. There is little point in low tariffs if these products cannot be imported because they do not comply with various requirements and rules laid down in public regulations or imposed by market players.

16 Lower middle-income countries with fewer than 75 million inhabitants

7.1. Food security.

It is the rules associated with food security, animal health and plant health (Sanitary and Phytosanitary Measures (SPS)) that have received most attention as regards possible imports from developing countries. The Norwegian SPS requirements are based on and are fully harmonised with the EU rules, with the exception of plant health, which is not covered by the EEA Agreement; but the requirements here too are approximately the same. For exporters, it is positive that access to the EU automatically also gives access to the Norwegian market.

In the case of animal products, there are strict requirements regarding satisfactory SPS systems at both country level and enterprise level, and lists are prepared of the countries/enterprises from which it is permitted to import. As a result of this, most developing countries are in reality excluded from the EEA market for animal products.

In the case of non-animal products too, there are strict requirements regarding food security, but, as yet, listing of countries and enterprises is not required.

It has been asked whether the rules for food security are too strict. The working group regards assessment of this question as outside its competence and role.

Regardless of this, Norway's association with the EU system entails that Norway does not have the authority to unilaterally reduce the SPS requirements it imposes on third countries. Nor does Norway have the authority to add new countries and enterprises to the list of approved exporters of animal products.

On the assumption that this system will be maintained, Norway's efforts must be aimed at providing technical assistance in order to help countries and enterprises in complying with the food security requirements. In the view of the working group, consideration should be given to allocating more funds from the development assistance budget to SPS-related measures in order to enable developing countries to take better advantage of the market potential provided by the GSP system. Measures should also be considered for improving information concerning the requirements laid down in the rules.

7.2. Technical standards.

Before they can be marketed in Norway, most goods must satisfy various technical and EHS requirements that may be demanding to comply with for a small company in a poor country. It must generally be assumed that public regulations have a sound technical basis, and the working group has no grounds for questioning whether specific requirements and regulations involve unnecessary barriers to trade. Potential trade effects should nevertheless be an integral part of the assessment when drafting new regulations and standards.

On a general basis, it is not viewed as appropriate to impose lower requirements on goods from developing countries. It would hardly result in increased imports if goods from developing countries were generally regarded as being of poorer quality or involving greater health hazards than goods originating from industrialised countries. The challenges that high standards entail for potential exporters should rather be met by helping enterprises to satisfy existing requirements and standards.

7.3. Private standards.

The NUPI report discusses the increasing importance of private standards. Collective standards such as Fairtrade and voluntary industry standards are already well known. What is new is that enterprises increasingly subject themselves to extensive rules of their own (protocols/contracts) in areas such as the environment, child labour, labour standards and other ethical requirements.

Private standards give rise to new requirements for exporters in developing countries. On the one hand, such standards may have the effect of raising new barriers, which may have negative impacts for small enterprises and trade with the least advantaged; and the large number of standards may in itself give rise to challenges. On the other hand, the study suggests that private corporate standards may also contribute to progress in areas such as the environment and working conditions in enterprises and their surrounding areas.

The study asks whether the large number of different standards involves sound competition or an inexpedient jungle that should be reduced by means of coordination or harmonisation. This question goes beyond the scope of the group's work, but consideration should be given to strengthening knowledge of the significance of private standards as a basis for a more informed discussion of potential policy implications.

7.4. Recommendations.

- Consideration should be given to strengthening efforts via <u>development cooperation</u> in order to assist countries and enterprises in meeting food security requirements.

- Measures should be considered for improvement of access to relevant information on current food security rules.
- Further studies of the significance of private standards should be considered.

8. Administrative conditions.

The GSP systems of the EU and of Norway and the other EFTA countries vary with regard to the scope of goods, country lists and levels of preference. However, a number of substantive rules and administrative conditions are identical, and there is close cooperation on establishing the best possible conditions for exporters and importers.

Relevant issues include the EU's work on establishment of a register of approved exporters, the REX register, to be available by 2017. Norway and Switzerland are both considering participation in this.

On import into Norway, a product's GSP origin is documented by a Certificate of Origin Form A issued by the exporter in a GSP country. In order to be valid, the form must be certified by the competent authorities of the GSP country concerned. If the value of the consignment is less than NOK 100 000, an invoice declaration from the exporter is sufficient. The Directorate of Customs and Excise is working on further simplifications, including increased use of a declaration of origin, which will simplify the administrative workload for exporters, importers and the authorities.

8.1. Implementation of the GSP scheme.

Implementation of the GSP scheme requires the competent authorities of the exporting country to carry out certain formalities, including sending approved specimen stamps and signatures to the Norwegian authorities. According to Annex 1, a number of countries have still *not* implemented Norway's GSP scheme. It is desirable that as many countries as possible implement the scheme.

The Directorate of Customs and Excise has carried out training and information activities on the GSP scheme with a view to its implementation in as many countries as possible. These efforts have yielded results, and the Directorate is willing to continue its activities provided that it receives the necessary financial support from the MFA and Norad. Norad and the Directorate of Customs and Excise are engaged in a dialogue with a view to entering into a long-term agreement on such information and advisory activities in priority countries. In some cases, Norwegian embassies will be able to assist local authorities with the necessary formalities.

8.2. Monitoring and security mechanisms.

In 2008, the two sets of regulations on monitoring and security mechanisms issued, respectively, by the Directorate of Customs and Excise and the Norwegian Agricultural Authority, were simplified and gathered in a single set of regulations administered by the Norwegian Agricultural Authority. The arrangement allows implementation of import restrictions under given conditions. To date, this arrangement has not been invoked. No need has been identified for amendments to the existing arrangement.

8.3. Information

The main source of information on the GSP scheme is the website of the Directorate of Customs and Excise. The Norwegian Agricultural Authority and the Norwegian Food Safety Authority also provide considerable information of relevance for exporters and importers, but it is not all equally accessible for actors who do not already have a certain knowledge of the current rules. During work on this report, a need has been identified for more accessible information on the rules for food security, on the arrangement concerning individual tariff reductions and on current rules of origin.

As regards information at www.regjeringen.no and on the websites of the Norwegian embassies, there is considerable room for improvement. There seems to be a need to examine information facilities as a whole and to consider the possibilities for improving these.

8.4. Recommendations.

- Coordination on administrative matters with other EFTA countries and the EU should be continued with a view to providing as uniform and simple a system as possible.
- Cooperation should be established between Norad and the Directorate of Customs and Excise with a view to implementation of the GSP scheme for as many as possible of the countries on the DAC list.
- Monitoring and security mechanisms should be maintained without changes.
- In cooperation with relevant ministries and government agencies, the MFA should take the initiative to review existing information sources with a view to improvement of access to information concerning the GSP scheme and other relevant rules.

Annex 1. DAC List of ODA Recipients
(Effective for reporting on 2011, 2012 and 2013 flows)

Least Developed Countries	Other Low Income Countries	Lower Middle Income Countries	Upper Middle Income Countries
Afghanistan	Kenya	Armenia	**Albania**
Angola	Korea, Dem. Rep. §	Belize §	**Algeria**
Bangladesh	Kyrgyz Rep.	Bolivia	*Anguilla §
Benin	South Sudan §	Cameroon	Antigua and Barbuda §
Bhutan	Tajikistan §	Cape Verde	Argentina
Burkina Faso §	Zimbabwe	Congo, Rep. §	Azerbaijan
Burundi §		Côte d'Ivoire	**Belarus §**
Cambodia		**Egypt**	**Bosnia & Herzegovina**
Central African Rep. §		El Salvador	**Botswana**
Chad §		Fiji	Brazil
Comoros §		Georgia	**Chile**
Congo, Dem. Rep.		Ghana	**China**
Djibouti §		**Guatemala**	**Colombia**
Equatorial Guinea §		Guyana	Cook Islands
Eritrea §		**Honduras**	**Costa Rica**
Ethiopia		**India**	Cuba
Gambia		**Indonesia**	Dominica
Guinea		Iraq	Dominican Republic
Guinea-Bissau §		Kosovo	Ecuador
Haiti		Marshall Islands §	**FYR of Macedonia**
Kiribati §		Micronesia, Fed. States §	Gabon
Laos		Moldova §	Grenada §
Lesotho		Mongolia	Iran
Liberia		**Morocco**	Jamaica
Madagascar		Nicaragua	**Jordan**
Malawi		Nigeria §	**Kazakhstan §**
Mali		Pakistan	**Lebanon**
Mauritania §		Papua New Guinea	Libya §
Mozambique		Paraguay	Malaysia
Myanmar		Philippines	Maldives
Nepal		Sri Lanka	Mauritius
Niger		**Swaziland**	**Mexico**
Rwanda §		Syria §	**Montenegro**
Samoa §		*Tokelau §	*Montserrat §
Sao Tome and Principe §		Tonga	**Namibia**
Senegal		Turkmenistan §	Nauru §
Sierra Leone §		**Ukraine**	Niue §
Solomon Islands §		Uzbekistan §	Palau §
Somalia §		**Vietnam**	**Panama**
Sudan		**West Bank & Gaza Strip**	**Peru**
Tanzania			**Serbia**
Timor-Leste §			Seychelles §
Togo			**South Africa**
Tuvalu §			*St. Helena §
Uganda			St. Kitts-Nevis §
Vanuatu §			St. Lucia
Yemen §			St. Vincent & Grenadines §
Zambia			Suriname
			Thailand
			Tunisia
			Turkey
			Uruguay
			Venezuela
			*Wallis and Futuna §

*territories. § GSP is not implemented.
Underlined, bold and at the right side: Free trade agreements with the EFTA states.
Bold and centered: Ongoing free trade agreement negotiations.

Annex 2. Changes in DAC income groups 2006–2011[17].

From LDC:

Cape Verde from LDC to LMIC.

Maldives from LDC to UMIC.

From LIC to LMIC:

Cameroon, Democratic Republic of the Congo, Ivory Coast, Ghana, India, Moldova, Mongolia, Nicaragua, Nigeria, Pakistan, Papua New Guinea, Uzbekistan and Vietnam.

From LMIC to UMIC:

Albania, Algeria, Azerbaijan, Bosnia and Herzegovina, Brazil, Dominican Republic, Ecuador, FYR Macedonia, Iran, Jamaica, Jordan, Kazakhstan, China, Cuba, Namibia, Niue, Peru, Surinam, Thailand, Tunisia, Wallis & Futuna.

Removed from the DAC list:

Barbados, Croatia, Mayotte, Saudi Arabia, Trinidad & Tobago and Turks & Caicos.

17 The GSP revision of 1 January 2008 was based on the DAC list of 2006. The DAC list was subsequently revised in 2008 and in 2011.

Annex 3. Proposed changes in the GSP scheme for agricultural goods.

1: Lower Middle Income Countries with a population less than 75 million are granted duty free access on the following commodity codes: ("GSP plus")

Commodity code	Description of Goods	MFN	EU	Today's GSP duty	New GSP plus duty
06.02	**Other live plants (including their roots), cutting and slips; mushroom spawn.**				
	- Unrooted cutting and slips :				
	- - Cuttings for nursery or horticultural purposes, except of green plants from 15 December to 30 April :				
06.02.1022	- - - Saintpaulia, *Scaevola* and *Streptocarpus*	51,0 %	Free	43,3 %	0
06.02.1023	- - - *Dendranthema x grandiflora and Chrysanthemum x moraflorium*, from 1 April to 15 October	51,0 %	Free	43,3 %	0
06.02.1029	- - - Other	51,0 %	Free	43,3 %	0
	- Rhododendrons and azaleas, grafted or not :				
	- - Indoor azalea (*Azalea indica, Rhododendron simsii, Rhododendron indicum*) :				
06.02.3011	- - - In flower	17,0 %	Free	14,4 %	0
	- - - Other:				
06.02.3012	- - - - From 15 November to 23 December	17,0 %	Free	14,4 %	0
06.02.3013	- - - - From 24 December to 14 November	17,0 %	Free	14,4 %	0
	- Roses, grafted of not:				
06.02.4002	- - Stocks	64,0 %	Free	-	0
06.02.4003	- - Rooted cuttings, not wrapped for retail sale	64,0 %	Free	54,4 %	0
06.02.4004	- - Bare-root roses, without any kind of culture media, not wrapped for retail sale	64,0 %	Free	54,4 %	0
	- Other:				
	- - With balled roots or other culture media :				
	- - - Other pot plants or bedding plants :				
	- - - - Green pot plants from 1 May to 14 December :				
06.02.9039	- - - - - Other, also when imported as part of mixed groups of plants	75,0 %	Free	63,7 %	0
	- - - - Pot plants or bedding plants, in flower :				
06.02.9049	- - - - - Other, also when imported as part of mixed groups of plants	75,0 %	Free	63,7 %	0
	- - - - Rooted cuttings and young plants :				
06.02.9059	- - - - - Other	75,0 %	Free	63,7 %	0
06.02.9060	- - - - Other	75,0 %	Free	63,7 %	0
06.02.9099	- - - Other	75,0 %	Free	63,7 %	0

Commodity code	Description of Goods	MFN	EU	Today's GSP duty	New GSP plus duty
06.03	**Cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes, fresh, dried, dyed, bleached, impregnated or otherwise prepared.**				
	- Fresh:				
	- - Other:				
	- - - Other:				
06.03.1997	- - - - Freesia from 1 April to 30 November, Iris, *Limonium*, *Statice, Matthiola* and Narcissus, also when imported as parts of mixed bouquets and similar	249,0 %	Free	211,6 %	0
06.03.1999	- - - - Other, also when imported as part of mixed groups of plants	249,0 %	Free	211,6 %	0
07.02	**Tomatoes, fresh or chilled.**				
07.02.0040	- From 15 October to 31 October	1,60	Free	1,36	0
07.03	**Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled.**				
	- Leeks and other alliceous vegetables:				
	- - Leeks:				
07.03.9003	- - - From 20 February to 31 May	6,66	Free	5,66	0
07.04	**Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled.**				
	- Cauliflowers and headed broccoli:				
	- - Cauliflowers:				
07.04.1031	- - - From 15 October to 30 November	0,18	Free	0,15	0
	- Other :				
	- - Other :				
07.04.9093	- - - Savoy cabbage from 1 December to 30 June	9,16	Free	7,79	0
07.04.9094	- - - Savoy cabbage from 1 July to 30 November	9,16	Free	7,79	0
07.04.9095	- - - Curly kale from 1 December to 31 July	9,16	Free	7,79	0
07.04.9096	- - - Curly kale from 1 August to 30 November	9,16	Free	7,79	0
07.05	**Lettuce (*Lactuca sativa*) and chicory (*Cichorium spp*.), fresh or chilled.**				
	- Chicory:				
	- - Other:				
07.05.2910	- - - From 1 April to 30 November	10,95	Free	9,31	0
07.06	**Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh or chilled.**				
	- Carrots and turnips:				
07.06.1030	- - Turnips	0,80	Free	0,68	0
07.07	**Cucumbers and gherkins, fresh or chilled.**				
	- Cucumbers:				
07.07.0020	- - From 1 November to 30 November	0,60	Free	0,51	0

Commodity code	Description of Goods	MFN	EU	Today's GSP duty	New GSP plus duty
07.10	**Vegetables (uncooked or cooked by steaming or boiling in water), frozen.**				
	- Other vegetables:				
	- - Other:				
07.10.8094	- - - Headed broccoli	0,80	Free	0,68	0
08.10	**Other fruit, fresh.**				
	- Strawberries:				
08.10.1025	- - - From 10 September to 31 October	1,92	Free	1,63	0
11.08	**Starches; inulin.**				
	- Starches:				
	- - Wheat starch:				
	- - - Other:				
11.08.1190	- - - - Other	0,54	Free	0,48	0
	- - Other starches:				
11.08.1910	- - - Laundry starch	0,10	Free	0,09	0
15.07	**Soya-bean oil and its fractions, whether or not refined, but not chemically modified.**				
	- Other:				
15.07.9090	- - Other	14,4 %	Free	7,2 %	0
15.12	**Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified.**				
	- Sunflower-seed or safflower oil and fractions thereof :				
	- - Other :				
15.12.1990	- - - Other	14,4 %	Free	7,2 %	0
	- Cotton-seed oil and its fractions :				
	- - Other :				
	- - - Other:				
15.12.2920	- - - - Solid fractions	14,4 %	Free	7,2 %	0
	- - - Other:				
15.12.2999	- - - - Other	12,7 %	Free	6,3 %	0
15.14	**Rape, colza or mustard oil and fractions thereof, whether or not refined, but not chemically modified.**				
	- Other:				
	- - Other:				
15.14.9900	- - - Other	14,4 %	Free	7,2 %	0
15.15	**Other fixed vegetable fats and oils (including jojoba oil) and their fractions, whether or not refined, but not chemically modified.**				
	- Linseed oil and its fractions :				
	- - Other :				

Commodity code	Description of Goods	MFN	EU	Today's GSP duty	New GSP plus duty
15.15.1990	- - - Other	14,4 %	Free	7,2 %	0
	- Maize (corn) oil and its fractions :				
	- - Other :				
15.15.2990	- - - Other	14,4 %	Free	7,2 %	0
	- Sesame oil and its fractions :				
	- - Other :				
15.15.5099	- - - Other	14,4 %	Free	7,2 %	0
15.17	**Margarine; edible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, other than edible fats or oils or their fractions of heading 15.16.**				
	- Other :				
	- - Other :				
15.17.9021	- - - Edible liquid mixture of vegetable oils	12,7 %	Free	6,3 %	0
15.18	**Animal or vegetable fats and oils and their fractions, boiled, oxidised, dehydrated, sulphurised, blown, polymerised by heat in vacuum or in inert gas or otherwise chemically modified, excluding those of heading 15.16; inedible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or oils of this Chapter, not elsewhere specified or included.**				
	- Other :				
15.18.0099	- - Other	12,7 %	Free	6,3 %	0
16.02	**Other prepared or preserved meat, meat offal or blood.**				
	- Of liver of any animal :				
16.02.2001	- - Of goose or duck liver	12,5 %	Free	11,2 %	0
20.01	**Vegetables, fruit, nuts and other edible parts of plants prepared or preserved by vinegar or acetic acid.**				
	- Other:				
	- - Vegetables :				
	- - - Other:				
20.01.9061	- - - - Sweet peppers (*Capsicum annuum var. annuum*)	0,18	Free	0,15	0
20.05	**Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 20.06.**				
	- peas (*Pisum sativum*) :				
	- - Of dried :				
20.05.4003	- - - Other	0,20	Free	0,17	0
	Beans (*Vigna spp., Phaseolus spp.*):				
20.05.5100	- - Beans, shelled	1,50	Free	1,27	0
	- - Other:				
20.05.5909	- - - Other	1,50	Free	1,27	0

Commodity code	Description of Goods	MFN	EU	Today's GSP duty	New GSP plus duty
20.08	**Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included.**				
	Nuts, ground-nuts and other seeds, whether or not mixed together :				
20.08.1900	- - Other, including mixtures	0,50	Free	0,45	0
	- Other, including mixtures other than those of subheading 20.08.1900 :				
	- - Mixtures :				
20.08.9701	- - - Entirely containing products of chapter 8	1,00	Free	0,85	0
20.09	**Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.**				
	- Orange juice :				
	- - Not frozen, of a Brix value not exceeding 20 :				
20.09.1210	- - - Containing added sugar or other sweetening matter	0,23	Free	0,23	0
20.09.1290	- - - Other	0,08	Free	0,08	0
	- Juice of any other single citrus fruit :				
	- - Other :				
	- - - Other :				
20.09.3991	- - - - Containing added sugar	0,15	Free	0,15	0
20.09.3999	- - - - Other	0,15	Free	0,15	0

2: Lower Middle Income Countries with less than 75 inhabitants are granted 50 % preference on the following commodity codes:

Commodity Code	Description of Goods	Ad valorem duty	Bundet spes. tollsats	MFN - duty	EU duty	Today's GSP-duty	New GSP plus duty
07.11	**Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumptions.**						
Ex. 07.11.9090	- mixtures of vegetables	106,0 %	2,98	2,98	2,98	2,53	1,49
07.14	**Manoice, arrowroot, salep, Jerusalem artichokes, sweet potatoes and similar roots and tubers with high starch or inulin content, fresh, chilled, frozen or dried, whether or not sliced or in the form of pellets; sago pith.**						
07.14.3000	- Yams (Dioscorea spp.)	318,0 %	1,74	1,74	1,74	1,56	0,87
07.14.4000	- Taro (Colocasia spp.)	318,0 %	1,74	1,74	1,74	1,56	0,87
07.14.5000	- Yautia (Xanthosoma spp.)	318,0 %	1,74	1,74	1,74	1,56	0,87
07.14.9000	- Other	318,0 %	1,74	1,74	1,74	1,56	0,87
11.06	**Flour, meal and powder of the dried leguminous vegetables of heading 07.13, of sago or of roots or tubers of heading 07.14 or of the products of Chapter 8.**						
11.06.2000	- Of sago or of roots or tubers of heading 07.14	249,0 %	2,00	2,00	2,00	1,80	1,00
20.01	**Vegetables, fruit, nuts and other edible parts of plants prepared or preserved by vinegar or acetic acid.**						
	- Other:						
	- - Vegetables:						
	- - - Other:						
20.01.9069	- - - - Other	223,0 %	12,92	12,92	12,92	10,98	6,46
	- - Other:						
20.01.9091	- - - Palm hearts	223,0 %	12,92	12,92	12,92	10,98	6,46
20.01.9092	- - - Yams, sweet potatoes and similar edible parts of plants containing 5 % or more by weight of starch	223,0 %	12,92	12,92	12,92	10,98	6,46
20.01.9099	- - - Other	223,0 %	12,92	12,92	12,92	10,98	6,46

20.08	**Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included.**						
	- Other, including mixtures other than those of subheading 20.08.1900 :						
	- - Mixtures :						
20.08.9709	- - - Other mixtures	288,0 %	34,92	34,92	34,92	29,68	17,46
20.09	**Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.**						
	- Juice of any other single fruit or vegetable :						
20.09.8100	- - Cranberry (*Vaccinium macrocarpon, Vaccinium oxycoccus, Vaccinium vitis-idaea*) juice	340,0 %	27,20	27,20	27,20	23,12	13,60
	- - Other:						
	- - - Black currant juice :						
20.09.8911	- - - - Black currant juice containing added sugar or other sweetening matter	180,0 %	14,62	14,62	14,62	12,42	7,31
20.09.8919	- - - - Other	180,0 %	14,62	14,62	14,62	12,42	7,31
	- - - Other :						
20.09.8995	- - - - White currant, red currant or gooseberry juice	340,0 %	27,20	27,20	27,20	23,12	13,60

3: New duty free GSP-quota

Varenummer	Produkt	Kvote (tonn)
17.03.1010 17.03.9010	Molasses, for feed purposes	40 000

4: Duty free GSP quotas

Commodity code	Description	Quota (tons)
ex 16.02.4100 ex 16.02.5009	Preserved ham Preserved tongue	150
ex.20.05.4003/4009 ex 20.05.5901	Preserved peas Preserved string beans and green beans	350

5: GSP preference on administratively reduced tariffs be increased from 10 to 20 per cent within the marketing arrangement for cereals: Soya bean oil cakes

Commodity code	Description
23.04.0010	For feed purposes

6: Fish oil for feed purposes

The preference for fish oil for feed purposes: commodity numbers 1504.1011, 1504.2011 and 1504.3011 is proposed be increased from 10% to 100%, i.e. full tariff exemption for imports from all ordinary GSP countries and GSP plus.

7: Import from Botswana, Namibia and Swaziland

The existing GSP preference of duty-free market access for import of bovine meat (goods nr. 0201.3001, 0201.3009, 0202.3001 and 0202.3009) of 2700 tons from Botswana and Namibia and 500 tons from Swaziland is to be extended.

The existing GSP preference of duty-free market access for import of sheep (goods number 0204.1000, 0204.2100, 0204.2200, 0204.2300, 0204.3000, 0204.4100, 0204.4200, 0204.4300, 0210.9902 and 1602.9000) of 400 tons from Botswana, Namibia and Swaziland is to be extended.

Published by:
Norwegian Ministry of Foreign Affairs

Public institutions may order additional copies from:
Norwegian Government Administration Services
E-mail: publikasjonsbestilling@dss.dep.no
Internet: www.publikasjoner.dep.no
Telephone: + 47 22 24 20 00

ISBN-978-82-7177-893-4 E
Publication number: E-904 E
Photo: Enhanced Integrated Framework
Design: 07 Gruppen
Print: Norwegian Ministry of Foreign Affairs
10/2012 – Impression 75