

EUROPEAN BRANDED CLOTHING ASSOCIATION: NEW GSP FALLS SHORT OF EXPECTATIONS

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The European Branded Clothing Association welcomes today's Plenary adoption of the new EU Generalised Scheme of Tariff Preferences, which provides important support to beneficiary third countries in achieving key human rights and environmental objectives. However, it regrets certain aspects of the revision that remove important incentives and may hinder Bangladesh, one of its main and historical beneficiaries in meeting these goals.

By lowering the threshold for apparel exports triggering automatic safeguards from 47% to 37%, Bangladesh stands to lose its GSP preferential tariffs within the next three years. *"This will lead to a significant increase in production costs and could seriously harm the country's economy. This change will impact Bangladesh's continued socioeconomic development, its workforce, particularly disadvantaged groups and overall economic growth and investment"*, regrets Isabelle Maurizi, EBCA Director General.

It is also important to note that the country's textile sector employs approximately 4.5 million people, 70% of whom are women, while an estimated 15 to 20 million people depend on the industry through family income and related services such as transport, training, and food provision. Reduced incentives could slow Bangladesh's ongoing governance reforms, which are closely linked to the GSP framework and preferential access to the EU market. Hard-won environmental and social sustainability standards developed over recent years may likewise be put at risk.

EBCA now calls on the European Commission to look beyond the GSP framework and consider a new trade agreement with Bangladesh that would allow the country to continue on its positive development path and ensure that the progress achieved over the years is not lost.

About EBCA:

The European Branded Clothing Association is the collective voice of more than 75 global apparel brands. The sector supports more than 4.5 million jobs in the EU. We envision a Europe where the branded clothing sector contributes to shared prosperity and is supported by global standards that enhance sustainability and trade, creating a level playing field.

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