

TURKMENISTAN will be left out of Generalized System of Preferences, GSP, as of Jan 1, 2016

In 2016, the European Union will revise the countries list which will benefit from the Generalized System of Preferences, GSP, exemptions, as is used to every year.

In the Commission Delegated Regulation (EU) No 1015/2014 of 22 July 2014, published in the EU Official Journal No 283/20 dated of 27 September 2014, it is said:

“(5) Turkmenistan has been classified by the World Bank as an upper-middle income country in 2012, 2013 and 2014. Accordingly, Turkmenistan no longer qualifies for GSP beneficiary status under Article 4(1)(a) and should be removed from Annex II of the GSP Regulation. The decision to remove a beneficiary country from the list of GSP beneficiary countries should apply as from one year after the date of entry into force of that decision. In the interests of a uniform application, Turkmenistan should be removed from Annex II with effect from 1 January 2016.”

Regarding the raw materials (esp Polypropylene) traded from Turkmenistan to Turkey, this revision seems to be a problem in the near future for the costs of the importers.

As is, Turkmenistan is classified as a GSP country in the Turkish Customs Legislation and the Customs Duty for plastics raw materials is 3%. Once the Legislation is updated in 2016, the Customs Duty Rate will be increased to 6.5%.

Moreover, it is emphasized that the GSP arrangement is to continue for two years from the date of application of a preferential market access arrangement, as provided by Article 4(1)(b).

Though the preferential market access arrangements had started to apply at various dates in 2013, “(6) In order to ensure a uniform application of the change to their GSP status and in line with the GSP Regulation, Peru, Colombia, Honduras, Nicaragua, Panama, Costa Rica, El Salvador and Guatemala should be removed from Annex II with effect from 1 January 2016.”

We will share immediately the finalized list of Generalized System of Preferences beneficiaries and the revision made in the Turkish Customs Legislation once they are published officially.

Please click [here](#) for the above mentioned EU Official Journal.

Best Regards,

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