Commission Delegated Regulation (EU) 2020/129 of 26 November 2019 amending the vulnerability threshold set out in point 1(b) of Annex VII to Regulation (EU) No 978/2012 of the European Parliament and the Council applying a scheme of generalised tariff preferences

COMMISSION DELEGATED REGULATION (EU) 2020/129

of 26 November 2019

amending the vulnerability threshold set out in point 1(b) of Annex VII to Regulation (EU) No 978/2012 of the European Parliament and the Council applying a scheme of generalised tariff preferences

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation (EC) No 732/2008[(1)], and in particular Article 9(2) thereof,

Whereas:

(1) Pursuant to point (a) of Article 9(1) of Regulation (EU) No 978/2012, a country benefiting from the Generalised Scheme of Preferences ('GSP') may benefit from the tariff preferences provided under the special incentive arrangement for sustainable development and good governance if it is considered vulnerable due to lack of diversification and insufficient integration within the international trading system, as defined in Annex VII to Regulation (EU) No 978/2012.

(2) Pursuant to point 1(b) of Annex VII to Regulation (EU) No 978/2012, for a country to be considered vulnerable, the imports of products listed in Annex IX into the Union from that country should represent less than the threshold of 6,5 % in value of the total imports from GSP beneficiary countries into the Union, as an average during the last three consecutive years.

(3) Where the list of GSP beneficiary countries is amended, Regulation (EU) No 978/2012 empowers the Commission to adopt delegated acts to amend Annex VII in order to review the vulnerability threshold defined in point 1(b) of Annex VII so as to maintain proportionally the same weight of the vulnerability threshold in terms of determining whether countries are considered vulnerable, irrespective of amendments of the list of GSP beneficiary countries..In accordance with Annex VII to Regulation (EU) No 978/2012, the weight of the vulnerability threshold is the value of the total imports into the Union of the products listed in Annex IX from all GSP beneficiary countries taken as an average.

(4) Commission Delegated Regulation (EU) 2015/602[(2)] changed the vulnerability threshold from 2 % to 6,5 % applicable as of 1 January 2015.

***Changes to legislation:** There are currently no known outstanding effects for the Commission Delegated Regulation (EU) 2020/129. (See end of Document for details)*

(5) The list of GSP beneficiaries in Annex II to Regulation (EU) No 978/2012 has been substantially amended, as twenty-one countries have been removed, between the last review of the vulnerability threshold in 2015 and 1 January 2019. It is therefore necessary to amend the vulnerability threshold set out in point 1(b) of Annex VII to Regulation (EU) No 978/2012.

(6) As a result of the amendments to the list of countries in Annex II to Regulation (EU) No 978/2012 between the last amendment of the vulnerability criterion in 2015 and 1 January 2019, the total imports into the Union of the products listed in Annex IX from all GSP beneficiary countries taken as an average would decrease by 12,2 %. Therefore, an increase of the vulnerability threshold from 6,5 % to 7,4 % as from 1 January 2019 would maintain proportionally the same weight of the vulnerability threshold as laid down in Annex VII to Regulation (EU) No 978/2012.

(7) To take into account the effective dates of the amendments to the list of countries in Annex II to Regulation (EU) No 978/2012 and its impact on the vulnerability of beneficiary countries, this threshold shall be effective from 1 January 2019,

HAS ADOPTED THIS REGULATION:

Article 1

In point 1(b) of Annex VII to Regulation (EU) No 978/2012, the threshold ‘6,5 %’ is replaced by ‘7,4 %’.

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 January 2019.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 26 November 2019.

For the Commission

The President

Jean-Claude JUNCKER