



Subject: Prospect of the Philippines becoming a GSP+ beneficiary country.

Status: approved by the LDRAC Executive Committee

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We hereby express the LDRAC concern regarding the request from the Philippines to become a GSP+ country.

The Philippines is the second country in the world in terms of tuna catches and fifth in the production of preserved and prepared tuna. Today, without enjoying full preferential access to the EU market, the Philippines is the second country, after Thailand, regarding exports of preserved tuna to the EU market, accounting for an average of over 44.000¹ tonnes a year in the last five years².

In addition, **the tuna sector in the Philippines is a very competitive and consolidated one:** it has an important tuna fleet with an exceptional geographical location close to the raw material and a processing sector that has largely invested in other countries, especially in PNG. The latter, with the derogation of the rules of origin for processed fisheries products poses a serious threat to the EU industry.

With the Philippines becoming a GSP+ country, a significant increase of their exports of preserved tuna to the EU is expected. In this sense, both the Philippines administration and the private sector represented by the Tuna Cannery Association of the Philippines³⁴ have conveyed that **from the first year preserved tuna exports to the EU market would be increased in 64%. This would make the Philippines the first country in terms of preserved tuna exports to the EU market, with a volume of more than 70,000 tonnes⁵.**

With this information, it is clearly stated that **the Philippine tuna sector does not need tariff preferences to gain access to the EU market.** Therefore, **the award of said preferences would distort the GSP essence, it would seriously damage the EU processed tuna products and it would destabilise the community preserved tuna market.**

Moreover, it shall be considered that, in order to be eligible as GSP+ beneficiary, a country must have ratified and effectively comply with 27 International Conventions relating to human rights, labour rights, the environment and governance principles. Various international bodies and independent organisations have shown deficiencies as far as compliance with some of the abovementioned conventions by the Philippines is concerned.

The following examples aim to illustrate these deficiencies:

¹ Calculation carried out using statistical data from EUROSTAT.

² Period 2008-2012.

³ <http://www.mindanews.com/business/2013/09/10/64-rise-in-ph-tuna-exports-seen-next-year/>

⁴ <http://www.philstar.com/business/2013/08/19/1105931/phl-exports-europe-expected-grow-12>

⁵ Calculation carried out using statistical data from EUROSTAT.



- Report conducted by the Committee on Freedom of Association, of October 2013, **Administration Council of the International Labour Organisation (ILO)**⁶.
- Report on core labour standards in the Philippines conducted by the **International Trade Union Confederation (ITUC)**⁷, for the WTO General Council review of the trade policies of the Philippines.
- **European Parliament**⁸ Resolution on impunity in the Philippines adopted in 2012.
- Report by **Human Rights Watch**⁹.
- Research study by **Verité** on **indicators of forced labour in the supply chain of tuna in the Philippines**¹⁰, financed by the United States Department of Labour.

Therefore, in view of the above, and before taking into consideration any request submitted by the Philippines to become a GSP+ country, the LDRAC would like to request the following:

- **The negative consequences that awarding the Philippines GSP+ status would have for the EU tuna industry be borne in mind.**
- **A strict and thorough assessment of compliance with international conventions by the Philippines regarding human rights, labour rights, the environment and governance principles be carried out, and the GSP+ status not be awarded if the Philippines does not show adequate assurance of their effective compliance with the latter.**
- **Effective control mechanisms be put into practice to ensure the effective implementation and observance of said international conventions.**

⁶ http://www.ilo.org/global/about-the-ilo/activities/WCMS_228499/lang--es/index.htm

⁷ <http://www.ituc-csi.org/philippines-trade-unions-face-an.10866>

⁸ <http://eur-lex.europa.eu/JOHtml.do?uri=OJ:C:2013:332E:SOM:ES:HTML>

⁹ <http://www.hrw.org/world-report/2013/country-chapters/philippines?page=1>

¹⁰ http://www.verite.org/research/indicators_of_forced_labor