

## **Generalised System of Preferences**

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### **1. What is GSP Scheme?**

**Answer:**

The GSP (Generalised System of Preferences) is a system whereby developed countries grant preferential treatment to eligible products imported from developing countries, so that exports of developing countries would be competitive in the developed countries markets.

### **2. What is the purpose of GSP?**

**Answer:**

- i. The purpose of the GSP is to improve the competitiveness of the export products from developing countries in the developed countries' market; and
- ii. The lower tariffs or duty free entry make it attractive for importers in the donor countries to import from exporters in the beneficiary countries; and
- iii. The preferential treatment is in the form of reduced import duties, and granted without reciprocal obligation on the part of the exporting countries.

### **3. Which countries do the GSP covers?**

**Answer:**

- i. Norway, Switzerland and Liechtenstein
- ii. Belarus, Russian Federation and Kazakhstan
- iii. Japan (76 Tariff Codes)

### **4. What is the products' coverage for GSP Scheme?**

**Answer:**

- i. The Regulation contains rules for both industrial and agricultural products:
  - o Agricultural products falling within HS Chapters 1-25;
  - o Industrial products, as well as Ferro-alloys, falling within HS Chapters 25-97 are covered by the EC scheme. The list of products covered and treatment applied is contained in Annex IV of Regulation 2501/2001 ( [click here](#) ).
- ii. In 1 January 2006, EU has reinstated most of the products under Chapter 39, 40, 61-63, 84 and 85 except for Chapter 15;

- iii. Three sectors were previously graduated for Malaysia reinstated namely wood, consumer electronics, plastics and rubber product sector;
- iv. The rules of the new GSP Regulation (for the period 2009-2011) have remained unchanged; and
- v. 0% tariff duty on products deemed non-sensitive by the EU and a 3.5% cut on the prevailing MFN tariff rate for products deemed sensitive by the EU (except for textiles).

## 5. What are the steps of applying GSP?

### Answer:

Application of GSP must be done online. All manufacturers/ exporters are required to register with DagangNet Technologies Sdn Bhd <http://epco.dagangnet.com/epco.jsp> in order to enable them to apply for GSP. Once registered, the applicant may begin with the following steps:

#### i. Step 1: Cost Analysis Approval

- The application of Cost Analysis must be done online through ePCO system. Applicant will be required to choose in the system on which branch they wish for their application to be approved. The list of MITI Branches are as follows:
  - i. MITI Headquarter  
Trade Cooperation and Industry Coordination Section  
Ground Floor  
Ministry of International Trade and Industry  
Block 10, Jalan Duta  
50622 Kuala Lumpur
  - ii. Johor :  
14th Floor, Wisma LKN 49  
Jalan Wong Ah Fook  
80000 Johor Bahru, Johor
  - iii. Pahang:  
9th Floor Kompleks Teruntum  
Jalan Mahkota  
25000 Kuantan, Pahang
  - iv. Perak:  
4th Floor, Perak Techno Trade Centre (PTTC)  
Bandar Meru Jaya Off Jalan Jelapang  
P.O. Box 210 ,  
30720 Ipoh  
Perak
  - v. Sabah:  
3rd Floor, Block D & E Bangunan KWSP 49  
Jalan Karamunsing  
88622 Kota Kinabalu, Sabah

vi. Sarawak:  
3rd Floor,  
Bangunan Bank Negara Jalan Satok  
94300 Kuching, Sarawak

- Every application that has been approved will be notify in the ePCO system application status.
- The approval for the cost analysis will be granted within 5 working days (not include Saturday and Sunday).

ii. **Step 2 : Endorsement of GSP Form A**

- Form A is a certificate that is accepted as evidence of origin by all preference-giving countries. To obtain preferential treatment, company must submit a duly endorsed Form A to MITI Offices for endorsement. The Form A can be purchased from Federation of Malaysian Manufacturers (FMM)at:

Wisma FMM,  
No. 3, Persiaran Dagang,  
PJU9, Bandar Sri Damansara,  
52200, Kuala Lumpur .

- The approval of Form A application will be granted within 1 working days or 24 hours.