

# Seminar Summary

## Moving the needle #15

Trade Impacts

Assessment of GSP and

GSP+: Cambodia,

Bangladesh and

Pakistan

Asian Dialogue on Sustainability in the  
Textile and Garment Industry Series

September 2023



# Seminar summary

**The seminar explored the trade impact assessments on the Generalised System of Preferences (GSP) and GSP Plus focusing on Cambodia, Bangladesh and Pakistan.**

## **Discussion topics:**

- How the textile and garment sectors in these countries are navigating their transitions.
- The policy strategies needed to mitigate risks.
- How international collaboration can foster sustainable economic growth.

## Speakers

**Paul Baker** – Trade Economist, specialising in trade policy and industry responses to changing global market conditions.

**Dr. Muhammad Abdul Razak** – Economist, focused on Bangladesh's LDC graduation and its impact on export prospects.

**Sarah Javed** – Research Associate in international trade diplomacy with Pakistan Textile Council, working on Pakistan's Free Trade Agreements (FTAs) and GSP Plus engagements.

## Seminar key takeaways

- **Cambodia's transition from EBA to GSP Plus:** Cambodia benefited from EBA trade preferences but faces partial withdrawal due to human rights concerns. Securing GSP Plus requires compliance with labour and environmental conventions.
- **Bangladesh's export reliance on the EU:** Over half of Bangladesh's exports go to the EU and UK, primarily in garments. The loss of EBA in 2029 poses risks, particularly with potential GSP Plus exclusions.
- **Pakistan's GSP Plus success:** Since 2014, Pakistan has doubled its EU exports, leveraging compliance with 27 international conventions.
- **The role of international collaboration:** ASEAN trade agreements and harmonised sustainability standards will play a key role in helping these economies navigate trade transitions.

## Proposed solutions

- **Cambodia** should focus on securing GSP Plus status and strengthening regional trade partnerships to maintain EU market access.
- **Bangladesh** must push for negotiations with the EU to relax safeguard measures and ensure continued duty-free access for garments.
- **Pakistan** should continue leveraging GSP Plus while enhancing sustainability and compliance to align with the EU's evolving regulations.
- **Regional supply chain integration** can help all three countries mitigate trade disruptions by fostering cooperation on raw material sourcing and processing.
- **Investment in sustainable manufacturing** and compliance with environmental and labour standards are essential for long-term competitiveness.

# Calls-to-action

## **For brands and manufacturers:**

- Develop resilient sourcing strategies to adjust to changing trade conditions.
- Engage in sustainable practices to align with EU regulations on human rights and environmental impact.
- Strengthen relationships with suppliers in ASEAN and South Asia to maintain competitive supply chains.

## **For suppliers and manufacturers:**

- Invest in backward linkages to meet rules of origin requirements for preferential market access.
- Strengthen sustainability and labour compliance to retain GSP Plus benefits.
- Utilise industry associations and trade bodies for advocacy and capacity building.

# Calls-to-action

## **For policy makers:**

- Advocate for extended transition periods and favourable trade conditions for graduating Least Developed Countries.
- Facilitate investment in regional trade integration and sustainable industries.
- Support SMEs in compliance with international trade requirements.

## **For social enterprises and NGOs:**

- Monitor corporate compliance and hold companies accountable for human rights and sustainability commitments.
- Support SMEs in adapting to evolving due diligence requirements.
- Promote multi-stakeholder initiatives to align industry standards with regulatory expectations.

## **About the Asian Dialogue Series**

The “Asian Dialogues on Sustainability in the Textile and Garment Industry” series was initiated to foster collaboration and strengthen regional knowledge exchange for greater social, environmental and economic sustainability in the sector. Launched in 2015, the series aimed to cultivate regional, sector-specific dialogue and promote cooperation between actors from across the supply chain.

## About Asia Garment Hub

The Asia Garment Hub is a digital one-stop shop tailored to the garment and textiles sector in Asia, viewed through a lens of Decent Work and Sustainability.

### Join the AGH Circle

The AGH Circle is a dedicated discussion forum - where you can network and engage with industry professionals in discussions on decent work and environmental sustainability for free.

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