

---

## The Case for a Generalised System of Preferences

2004-04-15

Acknowledging that "India won a battle but lost the war in the Generalised System of Preferences case," Prof. Claus-Dieter Ehlermann and Natalie McNelis noted in a letter to the editor of the *Financial Times* ("Letters to the Editor: Tariff preferences scheme will be brought into line," April 15, 2004), that the ruling India wanted -- a requirement for all developed countries to extend tariff preferences to *all* developing countries without distinction -- was granted at the panel stage, but later reversed by the WTO appellate body. They further noted that "[w]hile the appellate body found fault with the specifics of the regime at issue in the case, all it will take is a bit of tinkering for the European Union to bring its programme into line."

According to Prof. Ehlermann and Ms. McNelis the WTO ruling "is the salvation of special GSP programmes such as the one at issue in this case, which provided additional tariff preferences for countries combating illegal drug production and trafficking" and means that "developing countries engaged in the war on drugs. . .can continue to benefit from special preferences granted by the EU."