

1. Background information

1.1 General

In accordance with parliamentary approval and a Royal Decree of 3 September 1971, the Norwegian Ministry of Finance implemented the Generalized System of Preferences for import of goods from developing countries, with effect from 1 October 1971. The GSP-system, being a recognised exception from the GATT/WTO principles on "most-favoured nation treatment", enables industrialised countries on an autonomous basis to grant preferential tariff treatment to products from developing countries.

The European Community, Australia, New Zealand, USA, Canada, Japan, Switzerland together with certain countries in Eastern Europe have implemented equivalent schemes as Norway. It's the privilege of the individual industrial country ("donor country") to choose which developing country ("receiving country") to be covered by the scheme, which products to be included by the scheme, together with the applicable customs rate. Additionally, a set of rules of origin determines certain production processes which are required for a product from a GSP-country to benefit from GSP duty preference (originating products).

The basis for GSP preferential tariff rates (customs duty rates) is laid down in § 8-3-1 of the Norwegian Customs Law. For industrial products GSP preferential treatment means by and large duty-free access with the exception of some textile-products on a "list of sensitive products" (exception-list). For agricultural products the actual GSP tariff treatment is to be found in the various lists covering such products, cf. part III of this publication.

Since 1971 the Norwegian GSP-system has been amended and extended a number of times. Due to the GATT/WTO negotiations on agricultural products, a revised system was implemented in 1995. After a comprehensive revision in 1999 a number of previous exclusions were deleted from the "exception-list". This resulted in a simplification of the system and a considerable enlargement of the goods coverage offered to GSP-countries from 1 January 2000.

From 1 July 2002, a more consistent method was adopted to implement the former scheme of duty and quota-free marked access for all products originating in all LDC-countries. On the basis of the proposition to the government budget for the year 2005, changes were made in the GSP-scheme (list of exceptions) by removing men's apparel from the list, and granting men's wear the same treatment as women's apparel. Thus the GSP preferential treatment was improved. These changes were implemented from 1 January 2005.

1.2 Changes implemented from 1 January 2008

On the basis of a report from an interdepartmental working party, written submissions and government management, the Norwegian Parliament adopted changes in the scope of countries and the offer to certain countries, changes in the origin regulation, to phase out the Customs and Excise surveillance scheme and the establishment of a new regulation managed by the Norwegian Agricultural Authority.

It was further decided that the OECD DAC-list in force (this is an approved list of countries recognised as being receivers of public development aid) shall form the basis for which countries that shall be included in the Norwegian GSP-system.

The rules of origin of the GSP-system have been revised and simplified several times. From 1 July 1978, the possibility of cumulation within certain regional economic groups of

countries was provided for. From 1 January 1988, the system was adapted to the Harmonized Description and Coding System (HS) and has since been amended according to successive HS-revisions.

Upon implementation of a revised regulation on rules of origin from 1 March 1998, the rules of origin were harmonised with the rules applied by the European Community and Switzerland. With this amendment a general tolerance rule and the possibility of using a so-called invoice declaration was introduced.

From this date, bilateral cumulation of origin in a GSP-country with products originating in Norway was introduced. The regulation also provides for a system of diagonal cumulation of origin with originating products from the European Community and Switzerland on a reciprocal basis. This special arrangement was implemented 1 April 2001.

1.3 New LDC countries

The GSP scheme for duty and quota free market access to the Norwegian market is extended to apply for all “low income countries” according to the DAC-list in force. One condition is that the countries included have a population of less than 75 million. This implies that this “duty-free-scheme” also includes the former “ordinary” GSP-countries: Ivory Coast, Ghana, Kenya, Cameroon, Republic of Congo, Zimbabwe and Nicaragua. The following low income countries outside Africa are included in the GSP-system and in the “duty free scheme”: Moldova, Kyrgyzstan, Tajikistan, Uzbekistan, Mongolia, North Korea and Papua New Guinea.

However, the GSP-system is not effective all for these countries. This will only take place after notification from the individual country, i.e. after exchange of stamps and the name of responsible authorities etc. The Directorate of Customs and Excise will announce implementation as soon as all formalities are fixed.

The GSP-system is effective for the following previous “ordinary” GSP-countries: Ivory Coast, Ghana, Kenya, Cameroon, Zimbabwe, Nicaragua and Mongolia. They have from 1 January 2008 had the benefit of duty and quota free market access to Norway.

1.4 New ordinary GSP-countries

Some new countries are included in the Norwegian GSP-system. They are: Armenia, Azerbaijan, Georgia, Belarus, Kazakhstan, Turkmenistan and Ukraine. These countries shall be included in the duty preferential scheme for ordinary GSP-countries. The GSP-system is not yet effective for these countries. This will only happen after notification from the individual country, i.e. exchanging of stamps and name of the responsible authorities etc. The directorate of Customs and Excise will announce when the GSP-system is implemented for the various countries.

1.5 Changes in the value limits

With reference to the regulation of 20 February 1998, changes were made from 1 January 2008, regarding the origin of goods, when using the scheme of tariff preferences for developing countries. The changes were:

- an invoice declaration may be issued by the exporter in a GSP-country according to the rules, provided that the value of the originating products in the shipment does not exceed NOK 100 000, see Customs Regulation § 8-5-11 No. 1.

- the total value of the goods concerned must not exceed NOK 4100 for minor consignments from private persons to private persons or NOK 10 000 for goods that constitute a part of the travellers personal luggage, see Customs Regulation § 8-5-11 No2.