

# Developing Countries Trading Scheme





Department for  
International Trade



Foreign, Commonwealth  
& Development Office

# Introduction – Top Lines

- In early 2023, the UK's Developing Countries Trading Scheme (DCTS) will replace the UK's current Generalised Scheme of Preferences (GSP).
- DCTS is a major milestone in growing free and fair trade with 65 developing nations that are home to more than 3.3 billion people.
- It is one of the most generous trade preferences schemes in the world and has been designed to boost trade with developing countries, helping them to grow and prosper.
- DCTS delivers on commitments in the Integrated Review and [International Development Strategy](#) to harness the power of trade to support long lasting development.
- DCTS benefits the UK through over £750 million of reduced import costs, greater choice and improved economic security.

**65** developing  
countries

**3.3bn**  
people

**£21bn** UK-bound trade pa  
of which over **£9bn** on  
preferential terms

**95%** of goods duty free  
or reduced duty

**Biggest traders:**  
Bangladesh, Pakistan

Main products:  
Clothing and  
foodstuffs

**Saves UK businesses £750m+** in  
duties pa

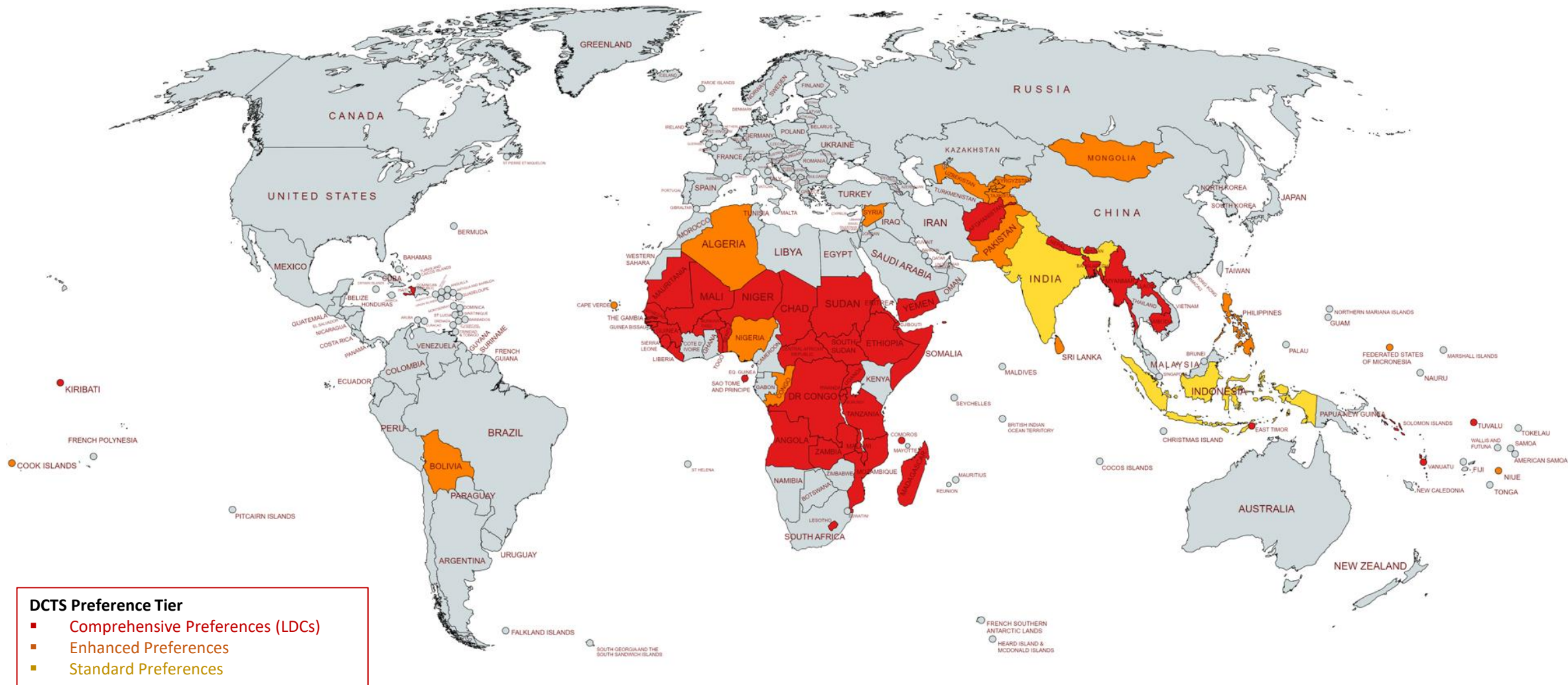


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# Coverage: 65 Countries





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# DCTS Preference tiers

## Comprehensive Preferences (LDCs)

100%\* duty free

Afghanistan	Kiribati	South Sudan
Angola	Lao PR	Sudan
Bangladesh	Lesotho	Timor-Leste
Benin	Liberia	Togo
Bhutan	Madagascar	Tuvalu
Burkina Faso	Malawi	Tanzania
Burundi	Mali	Uganda
Cambodia	Mauritania	Vanuatu
CAR	Mozambique	Yemen
Chad	Myanmar	Zambia
Comoros	Nepal	
DRC	Niger	
Djibouti	Rwanda	
Eritrea	Sao Tome and Principe	
Ethiopia	Senegal	
Gambia	Sierra Leone	
Guinea	Solomon Islands	
Guinea-Bissau	Somalia	
Haiti		

\*Everything but arms/ammunition

## Enhanced Preferences

At least 85% duty free

Bolivia  
Cape Verde  
Kyrgyzstan  
Mongolia  
Pakistan  
Philippines  
Sri Lanka  
Uzbekistan  
**Algeria**  
**Congo**  
**Cook Islands**  
**Micronesia**  
**Nigeria**  
**Niue**  
**Syria**  
**Tajikistan**

Countries in **bold** moved to Enhanced Preferences  
under DCTS

## Standard Preferences

33% duty free, 51% reduced

Subject to goods graduation

India  
Indonesia



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# Summary of changes

## Rules of Origin

### Simpler, more generous product specific rules for LDCs

- Simplifies the rules – e.g. to allow more alternative “or” rules
- Increases the threshold of non-originating content to 75%

### Extended cumulation for LDCs

- Extends cumulation for LDCs to include 95 developing countries for goods that are duty free in the other country’s agreement with the UK

## Goods Graduation

### Updated approach to excluding competitive goods

- Narrower basis for goods graduation to ensure only competitive goods are removed
- Tailored to the UK market using UK-based thresholds for competitiveness

## Tariffs

### More tariff cuts

- At least 150 new tariff lines cut for enhanced preferences countries; all nuisance and some seasonal tariffs cut

### More countries get Enhanced Preferences

- 8 economically vulnerable countries move to Enhanced Preferences and receive duty free trade on 85% of goods
- LDCs continue to receive duty free trade on everything but arms

## Conditions

### Clearer, broader basis for suspension

- Suspension based on international conventions, now including those on climate change and environment (as well as human rights/labour rights)

### Enhanced Preferences for all economically vulnerable countries

- All economically vulnerable countries get Enhanced Preferences – no longer need to ratify 27 international conventions