

Temporary autonomous trade measures for Ukraine

2016/0308(COD) - 01/06/2017 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted by 475 votes to 102, with 61 abstentions, **amendments** to the proposal for a regulation of the European Parliament and of the Council on the introduction of temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement.

The issue was referred back to the committee responsible for interinstitutional negotiations.

The main amendments were as follows:

Conditions for entitlement to the preferential arrangements: Members considered that the rules of origin and other conditions identified in the Agreement must be met for **all products**, not only agricultural products listed in Annexes I & II, but industrial products listed in Annex III as well. They stated that entitlement to benefit from the tariff-rate quotas and preferential customs duties on importation shall be subject to:

- as regards **products manufactured in, or shipped from, territory not under the effective control of the Government of Ukraine**, the submission of a movement certificate which shall be issued by the customs authorities of the Government of Ukraine, after having carried out an inspection of the exporter's accounts at the exporter's premises and any other checks considered appropriate, including assessing whether there are reasonable grounds to suspect that economic operators benefiting from the temporary autonomous trade measures are undermining the fight against corruption or are engaged in illegal economic activities;
- the abstention by Ukraine from introducing discriminatory internal administrative measures, from the day of the entry into force of this Regulation;
- the implementation of continued and sustained efforts with regard to the fight against **corruption** and illegal activities;
- continued respect for obligations to cooperate on matters related to **employment, social policy and equal opportunities**.

Temporary suspension of the preferential arrangements: where a Member State requests that the Commission suspend any of the preferential arrangements, the Commission shall provide a reasoned opinion within two months of such request on whether the claim of failure to comply is substantiated.

In general, it is appropriate to introduce the possibility to temporarily suspend the preferences in the case of failure by Ukraine to respect the general principles of the Association Agreement (respect for democratic principles, human rights, and fundamental freedoms and the principle of the **rule of law, as well as efforts to combat corruption and organised crime, and measures to promote sustainable development and effective multilateralism**), as has been done in other association agreements signed by the Union.

Safeguard clause: Members deleted the requirement in safeguard proceedings to act by qualified majority. In addition, they proposed the following:

- the Commission shall closely monitor the impact of this Regulation on Union producers with regard to the products listed in Annex I and II, including with regard to prices on the Union market and taking into account relevant available information on Union producers;
- any legal person or any association not having legal personality, acting on behalf of Union industry, shall be able to request the Commission to initiate a safeguard procedure;
- following a decision taken by the Commission, the Common Customs Tariff duties shall be reintroduced for as long as necessary to counteract the deterioration in the economic and/or financial situation of Union producers. The period of reintroduction shall not exceed one year, unless it is extended in duly justified circumstances.

Assessment: the Commission's annual report on the implementation of the Deep and Comprehensive Free Trade Agreement shall include a detailed assessment of the implementation of the temporary autonomous trade measures provided for in this Regulation.

Annexes: based on trade statistics that show that export capacity of Ukraine's industry in certain product groups (e.g. tomatoes prepared or preserved otherwise than by vinegar or acetic acid, wheat, flour, urea) is already substantial, Members recommended not providing additional support.