

Temporary autonomous trade measures for Ukraine

2016/0308(COD) - 04/07/2017 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 566 votes to 96, with 28 abstentions, a legislative resolution on 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 position of the European Parliament adopted at first reading following the ordinary legislative procedure amended the Commission proposal as follows:

Conditions for entitlement to the preferential arrangements: the amended text clarifies that the right to benefit from the autonomous trade measures introduced by the regulation should be subject to **compliance by Ukraine with all the conditions necessary** to benefit from the advantages provided for in the Association Agreement.

Thus, the granting of the duty-free quota and preferential customs duties on imports would be subject to:

- **Ukraine's compliance with product rules of origin and related procedures;** The trade measures would apply to goods originating in territories beyond the control of, or exported from, the Ukrainian Government (i) if they have been made available to the Ukrainian authorities for examination, and (ii) if their compliance with the conditions for granting preferential treatment has been verified in accordance with the Association Agreement;
- 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 undertaking by Ukraine to not introduce **discriminatory behind-the-border regulations**, 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 four months of such request on whether the claim of failure to comply is substantiated. Member States' position vis-à-vis the Commission should be strengthened. If the Commission considers the claim to be justified, it should set in motion the suspension procedure.

Safeguard clause: the proposed regulation provides for the reintroduction of Common Customs Tariff duties under the Association Agreement for imports of any product which causes or threatens to cause serious difficulties for EU producers of like or directly competitive products.

In addition, it is envisaged that:

- the Commission shall closely monitor the impact of this regulation on EU producers with regard to the products listed in Annexes I and II, including with regard to prices on the EU market and taking into account relevant information on EU exports, imports and production of products that are subject to autonomous trade measures envisaged in the regulation;
- the **EU 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: the annual quota volume would be 2 500 tonnes net weight of natural honey and 3 000 tonnes net weight of tomatoes prepared or preserved otherwise than by vinegar or acetic acid.

For specific agricultural products, the annual quota volume would be 65 000 tonnes of common wheat, spelt and meslin, flour, groats, meal and pellets, 625 000 tonnes of maize and 325 000 tonnes of barley.