

EU/Euratom/Ukraine Association Agreement: trade preferences for poultry meat and poultry meat preparations

2019/0132(NLE) - 12/06/2019 - Document attached to the procedure

PURPOSE: signature, on behalf of the European Union, and provisional application of the Agreement in the form of an Exchange of Letters between the European Union and Ukraine amending the trade preferences for poultrymeat and poultrymeat preparations provided for by the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part

PROPOSED ACT: Council Decision.

BACKGROUND: the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part, entered into force on 1 September 2017.

From mid-2016, a new type of poultry cut started to be imported from the Ukraine to the EU in increasing quantities. This novel cut consists of a traditional breast cap with the humerus bones of the wings attached, the latter making up for a very small part of the total weight of the cut. After a minimal transformation, this cut can be marketed in the EU as poultry breast.

As such imports are not subject to quantitative restrictions they have the potential, if their trade regime remains unchanged, to undermine the protection provided for poultry breast in the form of TRQs under the Association Agreement and consequently to disrupt the delicate balance in the poultry meat market of the EU. It is therefore urgent to find a solution to this situation. The Commission has received numerous written questions from Members of the European Parliament and the European poultry meat sector asking for action in order to find a solution.

On 20 December 2018, the Council authorised the Commission to open negotiations with Ukraine with a view to amend the trade preferences for poultry meat and poultry meat preparations provided for by the Association Agreement. The negotiations were successfully concluded on 19 March 2019.

CONTENT: the Commission proposes that the Council decide to authorise, on behalf of the Union, the signature of the Agreement in the form of an Exchange of Letters between the European Union and Ukraine amending the trade preferences for poultrymeat and poultrymeat preparations provided for in the Association Agreement, subject to its conclusion.

The value of imports into the EU under the two tariff lines CN 0207 13 70 and 0207 14 70 in the last full calendar years 2016 and 2017 reached a combined import value of EUR 43.9 million. This is 23.9% of total EU poultry meat imports from Ukraine in 2016 and 2017 and represents 1.1% of total EU poultry meat imports from all third countries in those two calendar years. In 2018 the import value reached EUR 91.4 million.

The Agreement consists of integrating the two tariff lines CN 0207 13 70 and 0207 14 70 into the existing tariff rate quota (TRQ) of currently 18 400 tons and increasing to 20 000 tons in 2021 (Order Number

09.4273) while the size of the TRQ will be increased by 50 000 tons. Imports under tariff lines CN 0207 13 70 and 0207 14 70 exceeding the TRQ would then become subject to Most Favoured Nation duty rate of EUR 100.8/100 kg net weight.

In order to rapidly eliminate the risk of potentially unlimited duty free imports of these poultry cuts the Agreement should be applied provisionally.