

Temporary trade liberalisation supplementing trade concessions applicable to Ukrainian products under EU/Ukraine Association Agreement

2022/0138(COD) - 19/05/2022 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 515 votes to 32, with 11 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on temporary trade liberalisation supplementing trade concessions applicable to Ukrainian products under 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.

Russia's unprovoked and unjustified war of aggression against Ukraine since 24 February 2022 has had a profoundly negative impact on the ability of Ukraine to trade with the rest of the world, both because of the destruction of production capacity and the unavailability of a significant proportion of means of transport due to the closure of access to the Black Sea.

Under such exceptional circumstances and to mitigate the negative economic impact of Russia's war of aggression against Ukraine, it is necessary to accelerate the development of closer economic relations between the Union and Ukraine in order to provide quick support to the Ukrainian authorities and population.

The European Parliament adopted its position at first reading under the ordinary legislative procedure by endorsing the Commission's proposal.

This measure aims to **stimulate trade flows for all imports from Ukraine** by suspending all customs and import duties due on Ukrainian products. The trade liberalisation measures would take the form of a complete elimination of import duties on all products.

Trade liberalisation measures

The proposed Regulation introduces trade liberalisation measures in the form of the following three measures, which should apply for one year:

- **the temporary suspension of all customs duties** due under Title IV of the Association Agreement between the EU and Ukraine establishing a deep and comprehensive free trade area. This measure concerns three categories of products: (i) industrial products subject to the phasing out of duties by the end of 2022; (ii) fruit and vegetables subject to the entry price system; (iii) agricultural products and processed agricultural products subject to tariff quotas;
- **the temporary non-collection of anti-dumping duties** on imports originating in Ukraine as from the date of entry into force of this Regulation; and
- **the temporary suspension of the common rules for imports** (safeguard) in the case of imports originating in Ukraine.

Conditions for entitlement to the preferential arrangements

The preferential arrangements provided for are subject to the following conditions:

- compliance with the rules of origin of products and the procedures related thereto as provided for in the Association Agreement;
- Ukraine's abstention from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect for imports originating in the Union, from increasing existing levels of duties or charges or from introducing any other restrictions, including discriminatory internal administrative measures, unless clearly justified in the war context; and
- Ukraine's respect for democratic principles, human rights and fundamental freedoms and respect for the principle of the rule of law as well as continued and sustained efforts with regard to the fight against corruption and illegal activities provided for in Articles 2, 3 and 22 of the Association Agreement.

Should Ukraine fail to respect the general principles of the Association Agreement, the Commission may **temporarily suspend** the preferential arrangements established by this Regulation.

Safeguard clause

Subject to an investigation by the Commission, the Regulation provides for the possibility to reintroduce the customs duties otherwise applicable under the Association Agreement for imports of any products falling under the scope of this Regulation which cause, or threaten to cause, serious difficulties to Union producers of like or directly competing products.

The Regulation will enter into force on the day following its publication in the Official Journal of the European Union.