

Temporary trade-liberalisation measures supplementing trade concessions applicable to Ukrainian products under the EU/Euratom/Ukraine Association Agreement

2024/0028(COD) - 31/01/2024 - Legislative proposal

PURPOSE: to increase the trade flows concerning all imports from Ukraine by suspending all outstanding tariffs and import duties applied to Ukrainian products.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Russia's unprovoked and unjustified war of aggression against Ukraine since 24 February 2022 has had a profound negative impact on Ukraine's ability to trade with the rest of the world, because of the toll imposed on human lives, the need to focus on the defence of the territory, vast populations being displaced, the destruction of production capacity and the unavailability of a significant share of transport means due to the restriction of the access to the Black Sea. In this difficult context, it is necessary to continue stimulating trade flows and granting concessions in the form of trade-liberalisation measures for all products, in line with the acceleration of the elimination of customs duties on trade between the Union and Ukraine.

[Regulation \(EU\) 2023/1077](#) will be in force until 5 June 2024. These measures have proven to add flexibility and certainty for Ukrainian producers.

CONTENT: in view of Russia's continuing war of aggression against Ukraine, the resulting need to continue to support Ukraine economically, and considering that Ukraine was granted EU candidate status in June 2022 and Accession Negotiations were opened in December 2023, the Commission is proposing a Regulation of the European Parliament and of the Council renewing these trade-liberalisation measures, which should apply for a period of one year as of the date the current measures expire (i.e. as of 6 June 2024).

This proposal provides for:

- the **temporary suspension of all outstanding customs duties** under Title IV of the Association Agreement between the EU and Ukraine establishing a deep and comprehensive free trade area (DCFTA). This concerns two categories of products: (i) fruits and vegetables subject to the entry-price system; (ii) agricultural products and processed agricultural products subject to tariff-rate quotas;
- temporary suspension of the application of Chapter V and Article 24 of the common rules for imports (safeguards) with respect of imports originating in Ukraine.

These temporary and exceptional measures will contribute to continuously supporting and fostering the existing trade flows from Ukraine to the Union.

The trade-liberalising measures provided for under the present proposal for a Regulation are taken in observance of the commitment in Article 2 of the Association Agreement which enshrines as an essential element of the Agreement the promotion of respect for the principles of sovereignty and territorial integrity, inviolability of borders and independence. In the same vein, the trade-liberalising measures themselves would be conditional upon respect for the same basic principles set out in Article 2, including those providing that the respect for democratic principles, human rights and fundamental freedoms and respect for the principle of the rule of law constitute essential elements of that Agreement.

Furthermore, the trade-liberalising measures contained in this proposal aim at ensuring that the Union's common commercial policy is conducted in the context of the principles and objectives of the Union's external action.

According to the proposal, a safeguard mechanism will apply on the basis of regular monitoring, allowing for any measure which is necessary to be imposed. The safeguard mechanism also includes an obligation for the Commission to take measures if imports of poultry, eggs, and sugar exceed the arithmetic mean of quantities imported in 2022 and 2023.

Budgetary implications

Based on an estimation according to the level of import volumes of products covered by the proposed Regulation in excess of the annual duty-free quota from Ukraine in 2021, the European Union would see a loss of EUR 33.4 million of customs revenue annually. The total estimated amount is thus EUR 33.4 million and therefore the impact on the EU's own resources will be very limited.