Modification of customs duties applicable to imports of certain goods originating in or exported directly or indirectly from Russia and Belarus

2025/0021(COD) - 28/01/2025 - Legislative proposal

PURPOSE: increase the customs duties applicable to imports of certain goods as well as certain fertilisers originating in or exported directly or indirectly from the Russian Federation and the Republic of Belarus.

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: imports into the Union of urea and nitrogen-based fertilisers from Russia, already high in 2023 (3.6 million tonnes, worth EUR 1.28 billion, representing more than 25 % of total Union imports), have increased significantly in 2024. Imports of the fertilisers covered by this Regulation currently reflect a situation of economic dependence on Russia.

In addition, imports of the agricultural products concerned (2.9 million tonnes, worth EUR 380 million according to Eurostat data) could create a similar and additional economic dependence on Russia which could, if left unchecked, harm the Union's food security and, especially in the case of fertilisers, make the Union particularly vulnerable to possible coercive measures by Russia.

Potential increased imports from the Russian Federation would disrupt the Union’s market for those goods and harm the Union’s nitrogen fertilisers producers, who are already facing difficulties in competing with imports from Russia because gas prices in the Union remain high.

Therefore, addressing the growing dependency on imports of the concerned fertilisers from the Russian Federation and preserving the viability of an autonomous Union nitrogen fertiliser industry is vital to ensuring and maintaining the Union’s food security. However, it is not possible to ensure that this does not happen if the tariffs on concerned agricultural goods remain at present levels.

The tariff measures should also apply to Belarus in order to prevent potential imports to the Union from Russia being diverted through Belarus.

CONTENT: the draft regulation aims to **increase customs duties** applicable to imports of certain agricultural products and certain fertilisers originating in **Russia or Belarus** or exported directly or indirectly from these countries.

The proposed regulation would prevent certain agricultural goods and fertilisers originating in or exported directly or indirectly from the Russian Federation and the Republic of Belarus from accessing the Union market on terms that are as favourable as the terms that apply to imports of those goods from other origins. It would do so by raising import duties on all those goods – by an ***ad valorem*** **duty of 50%** for agricultural goods and by gradually increasing tariffs on fertilisers by a level starting at **EUR 40 or EUR**

45 per tonne (depending on the type of fertiliser) until the additional tariff reached the level of a prohibitive tariff of up to **EUR 315 or 430 per tonne** three years after the start of application of the restrictive measures.

Within the three-year transitional period, these prohibitive level tariffs will also be introduced in the event goods from the Russian Federation and the Republic of Belarus are imported above certain specified volumes. In addition, those goods that originate in or are exported directly or indirectly from the Russian Federation and the Republic of Belarus would also be barred from benefiting from the Union's tariff rate quotas for those goods. Those tariff rate quotas provide access to the Union market at a lower tariff level than the proposed new tariffs.

The proposed measure will **significantly reduce the importation into the Union** of the concerned goods originating in or exported directly or indirectly from the Russian Federation and the Republic of Belarus, and that this will result in further diversification of sourcing those goods away from the Russian Federation and the Republic of Belarus.

The proposed regulation is not expected to negatively affect global food security. The increase in the Union's import duties is expected to substantially reduce the flows of these imports into the Union, thereby actually increasing the quantities of concerned goods available to third countries, and particularly to developing countries.

Budgetary implications

The proposed regulation would have no financial impact on expenditure and only a very limited financial impact on revenue. Conversely, **some budget losses** could be expected because the own resources generated for the Union's budget would probably decrease. Once the proposed regulation is fully in application, the effect on the Union budget's traditional own resources is therefore estimated to be a loss of up to EUR 84 million (i.e. 75% of the total 2023 tariff revenue of EUR 112 million) in a scenario where all the existing Union imports from the Russian Federation and the Republic of Belarus are replaced by the Union's domestic production and preferential imports.

The loss of revenue in traditional own resources upon full application of the measure would be compensated by the Member States' Gross National Income (GNI) based on resource contributions.