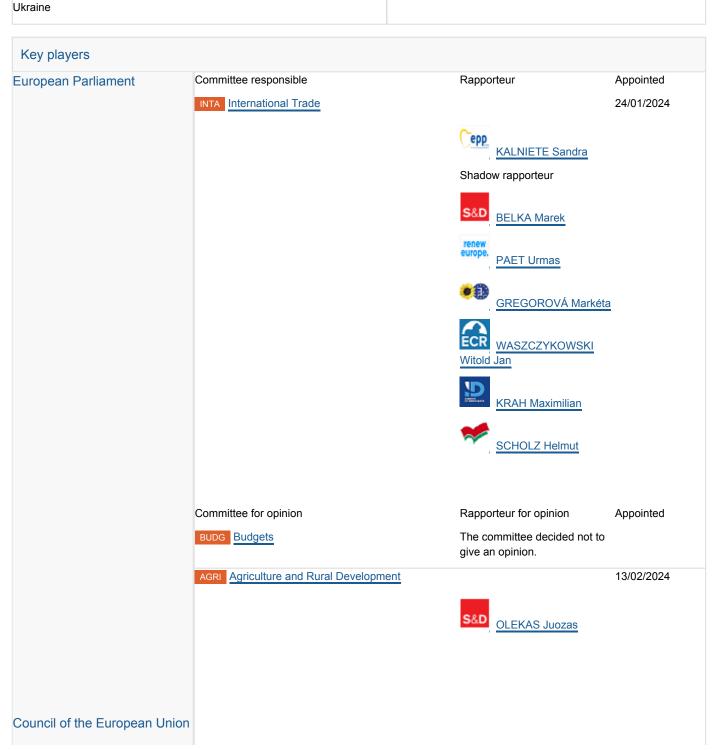
# Fiche de procédure

# Basic information COD - Ordinary legislative procedure (ex-codecision 2024/0028(COD) procedure) Regulation Temporary trade-liberalisation measures supplementing trade concessions applicable to Ukrainian products under the EU/Euratom/Ukraine Association Agreement Subject 6.20.03 Bilateral economic and trade agreements and relations 6.40.15 European neighbourhood policy 8.20.01 Candidate countries Geographical area



European Commission	Commission DG	Commissioner
	Trade	DOMBROVSKIS Valdis

events			
31/01/2024	Legislative proposal published	COM(2024)0050	Summary
26/02/2024	Committee referral announced in Parliament, 1st reading		
07/03/2024	Vote in committee, 1st reading		
07/03/2024	Committee report tabled for plenary, 1st reading	A9-0077/2024	
13/03/2024	Decision by Parliament, 1st reading	T9-0154/2024	Summary
13/03/2024	Matter referred back to the committee responsible		
09/04/2024	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE761.015 GEDA/A/(2024)001979	
23/04/2024	Decision by Parliament, 1st reading	T9-0304/2024	Summary
13/05/2024	Act adopted by Council after Parliament's 1st reading		
14/05/2024	Final act signed		
29/05/2024	Final act published in Official Journal		

Technical information	
Procedure reference	2024/0028(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Treaty on the Functioning of the EU TFEU 207-p2
Stage reached in procedure	Procedure completed
Committee dossier	INTA/9/14115

Documentation gateway					
Legislative proposal		COM(2024)0050	31/01/2024	EC	Summary
Committee draft report		PE758.861	09/02/2024	EP	
Amendments tabled in committee		PE759.640	23/02/2024	EP	
Committee opinion	AGRI	PE759.061	28/02/2024	EP	
Committee report tabled for plenary, 1st reading/single reading		A9-0077/2024	07/03/2024	EP	
Text adopted by Parliament, partial vote at 1st reading/single reading		T9-0154/2024	13/03/2024	EP	Summary
Coreper letter confirming interinstitutional agreement		GEDA/A/(2024)001979	08/04/2024	CSL	

Text agreed during interinstitutional negotiations	PE761.015	08/04/2024	EP	
Text adopted by Parliament, 1st reading/single reading	<u>T9-0304/2024</u>	23/04/2024	EP	Summary
Draft final act	00059/2024/LEX	14/05/2024	CSL	

### Final act

Regulation 2024/1392
OJ OJ L 29.05.2024 Summary

Corrigendum to final act 32024R1392R(01)

OJ OJ L 20.06.2024

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

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: Russias unprovoked and unjustified war of aggression against Ukraine since 24 February 2022 has had a profound negative impact on Ukraines 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 Russias 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 Unions common commercial policy is conducted in the context of the principles and objectives of the Unions 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 EUs own resources will be very limited.

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

The European Parliament adopted by 347 votes to 117, with 99 abstentions, amendments to the proposal for a regulation of the European Parliament and of the Council on temporary trade-liberalisation measures 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.

The matter was referred back to the committee responsible for inter-institutional negotiations.

As a reminder, the proposal for a Regulation extends for a further year from their current expiry date (5 June 2024) the EU trade liberalisation measures in force for products from Ukraine, which were initially adopted in May 2022 and extended (a first time) in May 2023.

The 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: fruits and vegetables subject to the entry-price system, and agricultural products and processed agricultural products which are subject to tariff-rate quotas.

The proposal introduces strengthened safeguard mechanisms to prevent and counteract adverse market effects in the EU Member States. For particularly sensitive products, namely poultry, eggs and sugar, the regulation introduces an automatic safeguard, which ensures that duty free imports of those products will be capped at 2022-2023 levels.

With these amendments, Parliament wishes to introduce an automatic safeguard for wheat, barley, oats, maize, eggs, poultry, sugar and honey products that is activated if quantities imported pursuant to this Regulation exceed the arithmetic mean of quantities in 2021, 2022 and 2023.

The Commission, within 14 days (instead of 21) and after informing the Committee on Safeguards set up by Regulation (EU) 2015/478, could reintroduce the corresponding tariff quota for these products, suspended until 31 December 2024.

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

The European Parliament adopted by 428 votes to 131, with 44 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on temporary trade-liberalisation measures 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.

The European Parliament adopted its position at first reading under the ordinary legislative procedure.

Parliament supports the proposal for a regulation extending the suspension of import duties and quotas on Ukrainian agricultural products for a further year, until 5 June 2025, in order to support the country in the context of Russia's war of aggression.

The preferential arrangements established by this Regulation should also be conditional upon Ukraine abstaining from introducing new duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect, from increasing existing levels of duties or charges, or from introducing any other restrictions on trade with the Union, unless clearly justified in the context of Russias war of aggression against Ukraine.

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.

Under the new regulation, the Commission should take swift action and impose any measures it deems necessary in the event of major disruption to the European market or to one or more EU Member States as a result of Ukrainian imports (in the case of wheat, for example).

As part of the enhanced protection measures designed to protect European farmers, the Commission should activate emergency measures for particularly sensitive agricultural products, such as poultry, eggs, sugar, oats, oatmeal, maize and honey. If, during the period 6 June to 31 December 2024, cumulative import volumes of eggs, poultry, sugar, oats, maize, groats or honey since 1 January 2024 reach the respective arithmetic mean of import volumes recorded in the period from 1 July to 31 December 2021, in 2022 and in 2023, the Commission should, within 14 days and after informing the Committee on Safeguards:

- reintroduce for that product the corresponding tariff-rate quota suspended under this Regulation until 31 December 2024; and
- introduce from 1 January 2025 either a tariff-rate quota equal to five twelfths of that arithmetic mean or the corresponding tariff-rate quota suspended by this Regulation whichever is higher.

## Statements

The Commission is committed to supporting Ukraine while also preserving the interest of the EU grain producers and ensuring a proper functioning of the grain market in the EU. Given the importance of grain production and grain markets, the Commission will pay particular attention to the monitoring of imports of grain, in particular wheat, and notably to the concentration of such imports in Member States neighbouring Ukraine.

For products covered by autonomous trade measures, the Commission recalls that the Regulation also provides for a reinforced safeguard mechanism. For the first time, the Commission has introduced the possibility and is ready to activate this mechanism in the event of adverse effects on the market of one or several Member States and not only for the EU market as a whole. In this regard, the Commission will use to the full extent its powers to initiate ex officio the reinforced safeguard mechanism for imports of wheat from Ukraine.

The Commission also confirms that, as soon as the new autonomous trade measures have been adopted by the co-legislators, it will take the necessary steps under the Association Agreement to continue, through consultations with Ukraine, the process of reciprocal tariff liberalisation.

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

PURPOSE: to extend the suspension of import duties and guotas on Ukrainian exports to the EU.

LEGSLATIVE ACT: Regulation (EU) 2024/1392 of the European Parliament and of the Council on temporary trade-liberalisation measures 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.

CONTENT: the regulation provides for the extension of the suspension of import duties and quotas on Ukrainian agricultural products for a further year, until 5 June 2025, in order to support the country in the context of Russia's war of aggression. The regulation concerns the continued suspension of all customs duties and quotas under Title IV of the Association Agreement between the EU and Ukraine (deep and comprehensive FTA).

### Temporary trade-liberalisation measures

The temporary trade-liberalisation measures established by this regulation should take the following form: (i) the suspension of the application of the entry price system to fruit and vegetables; (ii) the suspension of tariff-rate quotas and import duties; and (iii) the suspension of the application of Chapter V and Article 24 of Regulation (EU) 2015/478 of the European Parliament and of the Council on temporary trade-liberalisation measures. Through those measures, the Union will, in effect, temporarily provide appropriate economic and financial support to the benefit of Ukraine and the economic operators that are affected.

The conditions for entitlement to the preferential arrangements are as follows:

- compliance by Ukraine with the rules of origin of products and the procedures related thereto as provided for in the Association Agreement;
- Ukraines 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 on trade with the Union, including discriminatory internal administrative measures, unless clearly justified in the war context; and
- Ukraines 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.

### Safeguard mechanisms

The regulation includes two safeguard mechanisms to protect the EU market:

- a strengthened version of the existing mechanism, which will apply on the basis of regular monitoring, allowing the Commission to impose any measure provided that specific conditions are met;
- a new, automatic safeguard mechanism which will oblige the Commission to reintroduce tariff-rate quotas if imports of poultry, eggs, sugar, oats, maize, groats and honey exceed the arithmetic mean of quantities imported in the second half of 2021, 2022 and 2023. The time period for activation of the automatic safeguard has been shortened from 21 to 14 days.

The Commission commits to enhancing the monitoring of imports of grain, in particular wheat, and using the tools at its disposal in the event of market disruptions, as well as a commitment to take the necessary steps under the Association Agreement with Ukraine, as soon as the new ATMs are adopted, to pursue, through consultations with Ukraine, the process of reciprocal tariff liberalisation.

ENTRY INOT FORCE: 6.6.2024. The regulation will apply until 5.5.2025.

Transparency				
GREGOROVÁ Markéta	Shadow rapporteur	INTA	06/03/2024	Ministry of Economy - Trade representatives of Ukraine
WASZCZYKOWSKI Witold Jan	Shadow rapporteur	INTA	21/02/2024	Ukrainian Agribusiness Club
WASZCZYKOWSKI Witold Jan	Shadow rapporteur	INTA	21/02/2024	CIUS
GREGOROVÁ Markéta	Shadow rapporteur	INTA	13/02/2024	Copa-Cogeca
BELKA Marek	Shadow rapporteur	INTA	12/02/2024	Copa-Cogeca
DECERLE Jérémy	Shadow rapporteur for opinion	AGRI	07/02/2024	Association Générale des Producteurs de Maïs
BERNHUBER Alexander	Member	19/02/2024	Landwirtschaftskammer Österreich	

			Copa-Cogeca
WINZIG Angelika	Member	19/02/2024	Landwirtschaftskammer Österreich