

Extension of EU trade benefits to Ukraine

During its April II plenary session, Parliament is expected to vote on the extension for an additional year of the autonomous trade measures (ATM) that liberalised Ukrainian exports to the EU, to support Ukraine's economy. The proposal includes reinforced safeguards to protect EU farmers in case of market disruption.

Background

Ukraine is a major agricultural producer, especially of wheat, maize and sunflower. Agriculture contributes [10.9 %](#) to Ukraine's GDP, around [14 %](#) to its employment and [41 %](#) to its exports. Ukrainian grain exports are critical for many countries in Africa and Asia. Ukraine is also an [essential supplier](#) of animal feed for the EU's livestock sector. Russia's blockade of Ukrainian ports in the Black Sea sent international food prices [skyrocketing](#), raising fears of a [global food crisis](#). It also threatened Ukraine's economy, as [95 %](#) of Ukrainian grain was exported through Black Sea ports. On 12 May 2022, the EU launched the [EU-Ukraine Solidarity Lanes](#), to facilitate the export of blockaded Ukrainian goods through EU road, rail and river networks.

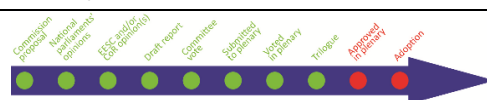
Autonomous trade measures (ATMs) and their effects

EU-Ukraine trade is [regulated](#) by the 2014 Association Agreement, including a Deep and Comprehensive Free Trade Area (DCFTA), which maintained quotas and tariffs on certain agricultural products. Together with the Solidarity Lanes, the EU agreed on the [Autonomous Trade Measures \(ATM\) Regulation](#), liberalising all Ukrainian exports to the EU single market for one year. The [ATM Regulation](#) entered into force on 4 June 2022, and was [renewed](#) in 2023, extending trade liberalisation until 5 June 2024. By January 2024, the Solidarity Lanes had allowed Ukraine to export [122 million tonnes of goods](#), including around [68 million tonnes](#) of agricultural products. While the Solidarity Lanes and ATMs helped [immediately reduce](#) global food prices, the [nearly 70 % increase](#) in agri-food exports to the EU also disrupted markets in neighbouring Member States. Farmers, [encouraged](#) in some countries to stock grain in the expectation of higher prices, were doubly affected by higher input and energy costs and falling incomes due to the grain glut caused by Ukrainian imports. This situation led to [protests](#) in several Member States bordering Ukraine, which unilaterally restricted Ukrainian agricultural imports and domestic sales in April 2023. To address these worries, in 2023 the Commission disbursed [€156 million](#) to affected farmers and agreed to the temporary restriction of domestic sales in these countries, while allowing the transit of Ukrainian products. When the Commission let the temporary measures expire in September 2023, [considering](#) that the market distortion had disappeared, Poland, Hungary and Slovakia reinstated the domestic sales bans.

Renewal of ATMs

In January 2024, the Commission [proposed](#) to renew the ATMs for a further year, introducing a 'reinforced safeguard mechanism' to limit the import of the 'most sensitive products' (poultry, eggs and sugar) if these exceed the average import volumes in the reference period from 2022 and 2023. Following negotiations between the Council and Parliament, an [initial agreement](#) was reached on 8 April. The deal extends the ATMs until 5 June 2025. It also adds oats, groats, maize, and honey to the 'sensitive products' list, and includes the second half of 2021 in the reference period of the safeguard mechanism. Permanent tariff liberalisation will also be discussed with Ukraine. The Committee on International Trade (INTA) endorsed the provisional agreement on 9 April. Parliament is due to vote on the extension during its April II part-session.

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