



2016/0308(COD)

14.3.2017

OPINION

of the Committee on Agriculture and Rural Development

for the Committee on International Trade

on the proposal for a regulation of the European Parliament and of the Council
on the introduction of temporary autonomous trade measures for Ukraine
supplementing the trade concessions available under the Association
Agreement
(COM(2016)0631 – C8-0392/2016 – 2016/0308(COD))

Rapporteur: Czesław Adam Siekierski

PA_Legam

SHORT JUSTIFICATION

The proposal in question is aimed at supplementing the trade preferences already granted to Ukraine in the framework of the Deep and Comprehensive Free Trade Area (DCFTA) with additional autonomous trade preferences, mostly in the agricultural sector. These autonomous trade preferences take the form of an increase of the annual tariff rate quotas (TRQs) already established under the DCFTA in a proportion of 50% for certain products (grape juice, processed tomatoes, honey) and 100% for others (maize, wheat, barley, oats, barley and other groats). They would enter into force on the day following that of the publication of the regulation in the Official Journal and apply for three years.

When reading the Explanatory Memorandum attached to this proposal, one cannot help but being struck by the very thin justification provided for what should obviously be regarded as an entirely political initiative. Reference is made to “the difficult economic situation in Ukraine” and to the need “to increase existing trade flows concerning the import of certain agricultural products from Ukraine into the Union and to foster bilateral trade and economic cooperation with the Union” without explaining, however, why the trade preferences already granted to Ukraine under the DCFTA already appear insufficient so shortly after the entry into provisional application of the latter (1 January 2016) and why it is legitimate to grant such additional trade preferences without any counterpart from the trade partner in question.

Even more disturbing is the argument that “recent FTAs negotiated by the EU (notably with Peru and Colombia, with Central America, with Vietnam and with Canada) have already provided unlimited duty-free access for some of the agricultural products covered by the present Regulation” which is presented by the Commission as a justification in itself why such additional trade preferences should be granted to Ukraine. Your draftsman wishes to underline how dangerous such an approach is when applied to sensitive agricultural sectors at a time when this Committee is legitimately worried by the cumulative impact of trade agreements on agriculture (which was the subject of a recent study by the EU Joint Research Centre). Whatever the position that Parliament will eventually take on the proposal at hand, therefore, it is suggested that a strong message should be sent to the INTA Committee and to the Commission that the AGRI Committee does not accept this kind of headlong rush to tariff liberalisation in agriculture by our trade policy makers and negotiators.

Talking about the impact of trade preferences on the corresponding sectors of production in the EU, it is also deplorable and unacceptable that, in the present case, no impact assessment whatsoever has been carried out simply because “in view of the difficult economic situation in Ukraine, it is important for the Regulation to enter into force as soon as possible”. This, in your draftsman’s opinion, should be seen as another illustration of how lightly this question of the negative effects of trade liberalisation on sensitive agricultural sectors in the EU is approached by the Commission.

On substance, the autonomous trade preferences proposed are targeting some highly sensitive sectors of EU agriculture recently hit by serious crises and negatively impacted by the Russian embargo, such as fruits, vegetables and cereals, and they could not possibly come at a worse time. The crisis in the cereals sector, in particular, was the subject of a debate in the AGRI Committee on 12 October 2016, with a 2016-2017 campaign regarded as extremely worrying in several Member States with a combination of record low harvests (- 20% in France and Germany, - 30% in Romania and Bulgaria) and record low prices due an opposite

situation (record high harvests) in other parts of the world (US, Canada, Brazil, Argentina).

Despite the political and economic difficulties currently experienced by Ukraine, this neighbouring country of the EU remains a very important and competitive producer of cereals and already enjoys a significant trade surplus with our Community for these productions (over 100 million euros in 2015). What is more, available data show that duties applied by the EU outside of TRQs do not pose a problem for import from Ukraine and only, to a certain degree, prevent the prices for Ukrainian agri-food products from dropping too low. In spite of that, and according to a comparison of cereal prices in the EU Member States, it would appear that these are the lowest in the countries that are direct neighbours with Ukraine.

Ukraine makes full use (100%) of the TRQs already granted and is expected to equally make full use of the new autonomous trade preferences which have been proposed by the Commission. Your draftsman expresses his concern that a potential destabilisation of the situation on the EU agricultural markets triggered by additional autonomous trade preferences for Ukraine may lead to increased negative sentiment for developing integration processes with this country.

Under these circumstances, and with a view to avoiding compounding the hardship already suffered by EU producers in the sectors most affected by additional preferential imports from Ukraine, your draftsman is recommending to leave out the proposed TRQs for wheat, maize and tomatoes prepared or preserved otherwise than by vinegar or acetic acid, listed in Annexes I and II.

Finally, should the INTA Committee or the Plenary decide to ignore this recommendation, it is suggested that, at the minimum, this should not be done before having demanded and obtained from the Commission a proper impact assessment for the measures at hand.

AMENDMENTS

The Committee on Agriculture and Rural Development calls on the Committee on International Trade, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation Article 1 – paragraph 3

Text proposed by the Commission

3. Tariff-rate quotas for specific agricultural products referred to in Annex II shall be administered by the Commission pursuant to the rules laid down in accordance with Article 184 of Regulation (EU) No 1308/2013.

Amendment

3. Tariff-rate quotas for specific agricultural products referred to in Annex II shall be administered by the Commission pursuant to the rules laid down in accordance with Article 184 of Regulation (EU) No 1308/2013. ***For the purpose of establishing the implementation plans and the arrangements for monitoring and***

assessment, on-line reporting on the utilisation of agricultural-related tariff-rate quotas shall be available via dedicated websites of the Commission.

Amendment 2

Proposal for a regulation

Article 2 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) respect for the principles provided for in Article 3 of the Association Agreement, including the fight against corruption.

Amendment 3

Proposal for a regulation

Article 4 – paragraph 1

Text proposed by the Commission

Amendment

1. Where a product originating in Ukraine is imported on terms which cause, or threaten to cause, serious difficulties to a Community producer of like or directly competing products, Common Customs Tariff duties on such product may be reintroduced at any time by the Council acting by qualified majority on a proposal from the Commission.

1. Where a product originating in Ukraine is imported on terms which cause, or threaten to cause, serious difficulties to a Community producer of like or directly competing products, Common Customs Tariff duties on such product may be reintroduced at any time by the Council acting by qualified majority on a proposal from the Commission. ***The Commission shall put in place a system to monitor the volumes for which concessions have been granted, linked to price levels on the internal markets of the products concerned, so that if those markets deteriorate and an Union producer has problems, the common customs tariff can be re-established immediately.***

Amendment 4

Proposal for a regulation

Article 4 – paragraph 2

Text proposed by the Commission

2. At the request of a Member State or on the Commission's initiative, the Commission shall take a formal decision to initiate an investigation within a reasonable period of time. Where the Commission decides to initiate an investigation, it shall publish a notice in the Official Journal of the European Union announcing the investigation. The notice shall provide a summary of the information received and state that any relevant information should be sent to the Commission. It shall specify the period, which shall not exceed **four** months from the date of publication of the notice, within which interested parties may make their views known in writing.

Amendment 5

Proposal for a regulation

Article 4 – paragraph 4 – indent 2 a (new)

Text proposed by the Commission

Amendment 6

Proposal for a regulation

Article 4 – paragraph 5

Text proposed by the Commission

5. The investigation shall be completed within **six** months after the publication of the notice referred to in paragraph 2. ***The Commission may, in the case of exceptional circumstances, extend this period in accordance with the procedure referred to in Article 5.***

Amendment

2. At the request of a Member State or on the Commission's initiative, the Commission shall take a formal decision to initiate an investigation within a reasonable period of time. Where the Commission decides to initiate an investigation, it shall publish a notice in the Official Journal of the European Union announcing the investigation. The notice shall provide a summary of the information received and state that any relevant information should be sent to the Commission. It shall specify the period, which shall not exceed **two** months from the date of publication of the notice, within which interested parties may make their views known in writing.

Amendment

– ***environmental standards***

Amendment

5. The investigation shall be completed within **four** months after the publication of the notice referred to in paragraph 2.

Amendment 7

Proposal for a regulation

Article 4 – paragraph 7

Text proposed by the Commission

7. ***Where exceptional circumstances requiring immediate action make an investigation impossible***, the Commission may, after informing the Committee, take any preventive measure which is strictly necessary.

Amendment

7. The Commission may, after informing the Committee, take any preventive measure which is strictly necessary.

Amendment 8

Proposal for a regulation

Article 4 a (new)

Text proposed by the Commission

Amendment

Article 4a

Mid-term review

1. ***The Commission shall undertake an assessment of the impact of this Regulation on the Union market for products listed in Annexes I and II, since the time of its entry into force, and shall present the conclusions of that assessment to the European Parliament and the Council.***

2. ***If the provisions of this Regulation are found to affect the Union market for products listed in Annexes I and II, the Commission may by means of implementing acts introduce compensatory measures for the Union producers affected by the tariff dismantling for any of those products. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 5(2).***

Justification

The speed with which this Regulation is to enter into force does not prevent the Commission from carrying out an assessment of the impact that these measures will have on EU markets

and acting with the same speed to compensate European producers where necessary.

Amendment 9

Proposal for a regulation Article 6 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Where a renewal of the measures referred to in this Regulation is considered, the Commission shall review their impact prior to the end of the three-year period referred to in paragraph 2, and shall submit a legislative proposal if appropriate.

Amendment 10

Proposal for a regulation Annex I – table 1 – row 4

Text proposed by the Commission

<i>09.6752</i>	<i>2002</i>	<i>Tomatoes prepared or preserved otherwise than by vinegar or acetic acid</i>		<i>5000</i>
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Amendment

deleted

Amendment 11

Proposal for a regulation Annex II – table 1 – row 2

Text proposed by the Commission

<i>Common wheat, spelt and meslin, flour, groats, meal and pellets</i>	<i>1001 99 00 1101 00 15, 1101 00 90 1102 90 90 1103 11 90 1103 20 60</i>	<i>100 000 tons/year</i>
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Amendment

deleted

Amendment 12

**Proposal for a regulation
Annex II – table 1 – row 3**

Text proposed by the Commission

<i>Maize, other than seed, flour, groats, meal, pellets and grains</i>	<i>1005 90 00 1102 20 1103 13 1103 20 40 1104 23</i>	<i>650 000 tons/year</i>
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Amendment

deleted

Amendment 13

**Proposal for a regulation
Annex II – table 1 – row 4 – column 3**

Text proposed by the Commission

Amendment

350 000 tons/year

50 000 tons/year

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Introduction of temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement
References	COM(2016)0631 – C8-0392/2016 – 2016/0308(COD)
Committee responsible Date announced in plenary	INTA 6.10.2016
Opinion by Date announced in plenary	AGRI 6.10.2016
Rapporteur Date appointed	Czesław Adam Siekierski 12.10.2016
Date adopted	13.3.2017
Result of final vote	+: 19 -: 9 0: 16
Members present for the final vote	John Stuart Agnew, Clara Eugenia Aguilera García, Eric Andrieu, Richard Ashworth, José Bové, Daniel Buda, Nicola Caputo, Matt Carthy, Viorica Dăncilă, Michel Dantin, Paolo De Castro, Jean-Paul Denanot, Albert Deß, Diane Dodds, Jørn Dohrmann, Herbert Dorfmann, Norbert Erdős, Edouard Ferrand, Luke Ming Flanagan, Beata Gosiewska, Martin Häusling, Anja Hazekamp, Esther Herranz García, Jan Huitema, Peter Jahr, Ivan Jakovčić, Jarosław Kalinowski, Elisabeth Köstinger, Zbigniew Kuźmiuk, Philippe Loiseau, Mairead McGuinness, Nuno Melo, Ulrike Müller, James Nicholson, Maria Noichl, Marijana Petir, Bronis Ropè, Maria Lidia Senra Rodríguez, Ricardo Serrão Santos, Czesław Adam Siekierski, Tibor Szanyi, Marco Zullo
Substitutes present for the final vote	Bas Belder, Franc Bogovič, Rosa D'Amato, Angélique Delahaye, Fredrick Federley, Jens Gieseke, Julie Girling, Michela Giuffrida, Maria Heubuch, Karin Kadenbach, Manolis Kefalogiannis, Norbert Lins, Gabriel Mato, Anthea McIntyre, Susanne Melior, Momchil Nekov, Annie Schreijer-Pierik, Hannu Takkula

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

19	+
ECR	Richard Ashworth, Beata Gosiewska, Zbigniew Kuźmiuk, James Nicholson
NI	Diane Dodds
PPE	Daniel Buda, Michel Dantin, Albert Deß, Herbert Dorfmann, Norbert Erdős, Esther Herranz García, Peter Jahr, Jarosław Kalinowski, Elisabeth Köstinger, Mairead McGuinness, Nuno Melo, Marijana Petir, Czesław Adam Siekierski
S&D	Paolo De Castro

9	-
ALDE	Jan Huitema, Ivan Jakovčić, Ulrike Müller
ECR	Jørn Dohrmann
EFDD	Rosa D'Amato, Marco Zullo
ENF	Edouard Ferrand, Philippe Loiseau
S&D	Momchil Nekov

16	0
EFDD	John Stuart Agnew
GUE/NGL	Matt Carthy, Luke Ming Flanagan, Anja Hazekamp, Maria Lidia Senra Rodríguez
S&D	Clara Eugenia Aguilera García, Eric Andrieu, Nicola Caputo, Jean-Paul Denanot, Viorica Dăncilă, Maria Noichl, Ricardo Serrão Santos, Tibor Szanyi
Verts/ALE	Maria Heubuch, Martin Häusling, Bronis Ropè

Key to symbols:

+ : in favour

- : against

0 : abstention