European Parliament

2019-2024



Committee on International Trade

2024/0028(COD)

9.2.2024

***I DRAFT REPORT

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 (COM(2024)0050 – C9-0021/2024 – 2024/0028(COD))

Committee on International Trade

Rapporteur: Sandra Kalniete

PR\1295993EN.docx PE758.681v01-00

Symbols for procedures

* Consultation procedure

*** Consent procedure

***I Ordinary legislative procedure (first reading)

***II Ordinary legislative procedure (second reading)

***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

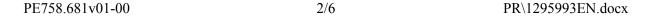
Deletions are indicated in *bold italics* in the left-hand column. Replacements are indicated in *bold italics* in both columns. New text is indicated in *bold italics* in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

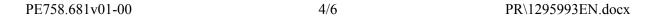
New text is highlighted in **bold italics**. Deletions are indicated using either the symbol or strikeout. Replacements are indicated by highlighting the new text in **bold italics** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.



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DRAFT EUROPEAN PARLIAMENT 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

(COM(2024)0050 - C9-0021/2024 - 2024/0028(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2024)0050),
- having regard to Article 294(2) and Article 207(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0000/2024),
- having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
- having regard to Rule 59 of its Rules of Procedure,
- having regard to the report of the Committee on International Trade (A9-0000/2024),
- 1. Adopts its position at first reading, taking over the Commission proposal;
- 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
- 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

EXPLANATORY STATEMENT

The proposed regulation extends the EU's current trade liberalisation measures for products originating in Ukraine, originally adopted in May 2022 and extended in May 2023, by another year as of its current expiry date (5 June 2024).

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. Moreover, the application of the relevant parts of the Safeguard Regulation¹ will be temporarily suspended for Ukrainian imports.

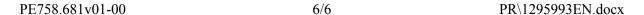
The proposal introduces strengthened safeguard mechanisms to prevent and counteract adverse market effects in the EU Member States. The Commission will be able to take any necessary measures, including the reintroduction of customs duties, if it finds that imports of a specific product covered by this regulation leads to market disturbances in the EU or any of its 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. The Commission will regularly monitor the impact of the trade-liberalisation measures in terms of import volumes and prices.

The trade liberalising measures are conditional on 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 to fight against corruption, organised crime and terrorism

Your rapporteur supports the proposed trade liberalisation measures, which are a tangible expression of the EU's solidarity with Ukraine in the face of the continuing Russian war of aggression. The temporary suspension of tariffs on agricultural products, one of the country's main income sources, will help stabilise the Ukrainian economy and enhance its trade relations with the EU. The measures will also facilitate Ukraine's gradual integration into the EU's internal market and alignment with EU standards, thereby supporting the country in its path toward EU membership.

In light of the above considerations, your rapporteur takes the view that the European Parliament should adopt the Commission's proposal to extend for one more year the EU's trade-liberalisation measures for Ukraine.

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¹ Regulation (EU) 2015/478 of the European Parliament and of the Council of 11 March 2015 on common rules for imports.