











Procedure file

Basic information		
NLE - Non-legislative enactments	2019/0132(NLE)	Procedure completed
EU/Euratom/Ukraine Association Agreement: trade preferences for poultry meat and poultry meat preparations		
Subject 6.20.03 Bilateral economic and trade agreements and relations		
Geographical area Ukraine		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 International Trade	 GYÖRI Enikő	23/09/2019
		Shadow rapporteur	
		 BELKA Marek	
		 PAET Urmas	
		 HAUTALA Heidi	
	 WASZCZYKOWSKI Witold Jan		
	Committee for opinion	Rapporteur for opinion	Appointed
	 Agriculture and Rural Development	 KUŹMIUK Zbigniew	04/09/2019
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	3736	05/12/2019
European Commission	Commission DG	Commissioner	
	Trade	MALMSTRÖM Cecilia	

Key events			
12/06/2019	Preparatory document	COM(2019)0267	
09/07/2019	Legislative proposal published	10720/2019	Summary

16/09/2019	Committee referral announced in Parliament		
07/11/2019	Vote in committee		
18/11/2019	Committee report tabled for plenary, 1st reading/single reading	A9-0024/2019	
25/11/2019	Debate in Parliament		
26/11/2019	Results of vote in Parliament		
26/11/2019	Decision by Parliament	T9-0059/2019	Summary
05/12/2019	Act adopted by Council after consultation of Parliament		
05/12/2019	End of procedure in Parliament		
16/12/2019	Final act published in Official Journal		

Technical information

Procedure reference	2019/0132(NLE)
Procedure type	NLE - Non-legislative enactments
Procedure subtype	Consent by Parliament
Legal basis	Treaty on the Functioning of the EU TFEU 218-p6a; Treaty on the Functioning of the EU TFEU 207-p4; Treaty on the Functioning of the EU TFEU 207-p3
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	INTA/9/00529

Documentation gateway

Document attached to the procedure		COM(2019)0268	12/06/2019	EC	Summary
Preparatory document		COM(2019)0267	12/06/2019	EC	
Legislative proposal		10720/2019	09/07/2019	CSL	Summary
Document attached to the procedure		10752/2019	09/07/2019	CSL	Summary
Committee draft report		PE641.176	17/10/2019	EP	
Committee opinion	AGRI	PE641.140	06/11/2019	EP	
Committee report tabled for plenary, 1st reading/single reading		A9-0024/2019	18/11/2019	EP	
Text adopted by Parliament, 1st reading/single reading		T9-0059/2019	26/11/2019	EP	Summary

Final act

[Decision 2019/2145](#)
[OJ L 325 16.12.2019, p. 0041](#) Summary

preparations

PURPOSE: signature, on behalf of the European Union, and provisional application of the Agreement in the form of an Exchange of Letters between the European Union and Ukraine amending the trade preferences for poultrymeat and poultrymeat preparations provided for by 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

PROPOSED ACT: Council Decision.

BACKGROUND: 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, entered into force on 1 September 2017.

From mid-2016, a new type of poultry cut started to be imported from the Ukraine to the EU in increasing quantities. This novel cut consists of a traditional breast cap with the humerus bones of the wings attached, the latter making up for a very small part of the total weight of the cut. After a minimal transformation, this cut can be marketed in the EU as poultry breast.

As such imports are not subject to quantitative restrictions they have the potential, if their trade regime remains unchanged, to undermine the protection provided for poultry breast in the form of TRQs under the Association Agreement and consequently to disrupt the delicate balance in the poultry meat market of the EU. It is therefore urgent to find a solution to this situation. The Commission has received numerous written questions from Members of the European Parliament and the European poultry meat sector asking for action in order to find a solution.

On 20 December 2018, the Council authorised the Commission to open negotiations with Ukraine with a view to amend the trade preferences for poultry meat and poultry meat preparations provided for by the Association Agreement. The negotiations were successfully concluded on 19 March 2019.

CONTENT: the Commission proposes that the Council decide to authorise, on behalf of the Union, the signature of the Agreement in the form of an Exchange of Letters between the European Union and Ukraine amending the trade preferences for poultrymeat and poultrymeat preparations provided for in the Association Agreement, subject to its conclusion.

The value of imports into the EU under the two tariff lines CN 0207 13 70 and 0207 14 70 in the last full calendar years 2016 and 2017 reached a combined import value of EUR 43.9 million. This is 23.9% of total EU poultry meat imports from Ukraine in 2016 and 2017 and represents 1.1% of total EU poultry meat imports from all third countries in those two calendar years. In 2018 the import value reached EUR 91.4 million.

The Agreement consists of integrating the two tariff lines CN 0207 13 70 and 0207 14 70 into the existing tariff rate quota (TRQ) of currently 18 400 tons and increasing to 20 000 tons in 2021 (Order Number 09.4273) while the size of the TRQ will be increased by 50 000 tons. Imports under tariff lines CN 0207 13 70 and 0207 14 70 exceeding the TRQ would then become subject to Most Favoured Nation duty rate of EUR 100.8/100 kg net weight.

In order to rapidly eliminate the risk of potentially unlimited duty free imports of these poultry cuts the Agreement should be applied provisionally.

EU/Euratom/Ukraine Association Agreement: trade preferences for poultry meat and poultry meat preparations

AGREEMENT in the form of an exchange of letters between the European Union and Ukraine amending the trade preferences for poultry meat and poultry meat preparations provided for by 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.

Negotiations between the European Union and Ukraine on trade preferences for poultrymeat and poultrymeat preparations were concluded on 19 March 2019.

The agreement consists of integrating the two tariff lines CN 0207 13 70 and 0207 14 70 into the existing tariff rate quota (TRQ) of currently 18 400 tons and increasing to 20 000 tons in 2021 (Order Number 09.4273) while the size of the TRQ will be increased by 50 000 tons. Imports under tariff lines CN 0207 13 70 and 0207 14 70 exceeding the TRQ would then become subject to Most Favoured Nation duty rate of EUR 100.8/100 kg net weight.

Pending its entry into force, the Agreement shall be applied provisionally from the first day of the month following the date of receipt by the Depositary of: (i) the Union's notification on the completion of the procedures necessary for this purpose; and (ii) Ukraines notification of the completion of ratification in accordance with its procedures and applicable legislation, whichever is later, pending its entry into force.

EU/Euratom/Ukraine Association Agreement: trade preferences for poultry meat and poultry meat preparations

PURPOSE: to conclude, on behalf of the Union, the Agreement in the form of an exchange of letters between the European Union and Ukraine amending the trade preferences for poultry meat and poultry meat preparations provided for by 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.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: 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, entered into force on 1 September 2017.

A new type of poultry cut consists of a traditional breast cap with the humerus bones of the wings attached and can, after minimal transformation in the Union, be marketed in the Union as poultry breast. Unlimited imports of those cuts, of which imports from Ukraine reached 55 500 tons in 2018, therefore risk undermining the conditions under which traditional poultry breast cuts may be imported into the Union under the Association Agreement, in particular the quantitative restrictions in the form of a tariff rate quota.

On 20 December 2018, the Council authorised the Commission to open negotiations with Ukraine with a view to finding a solution by amending the trade preferences for poultry meat and poultry meat preparations provided for by the Association Agreement. Those negotiations were successfully concluded on 19 March 2019.

CONTENT: the purpose of the draft Council Decision is to approve, on behalf of the Union, the Agreement in the form of an exchange of letters between the European Union and Ukraine amending the trade preferences for poultry meat and poultry meat preparations provided for by 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.

EU/Euratom/Ukraine Association Agreement: trade preferences for poultry meat and poultry meat preparations

The Committee on International Trade adopted the report by Enikő Győri (EPP, HU) on the draft Council decision on conclusion, on behalf of the Union, of the Agreement in the form of an exchange of letters between the European Union and Ukraine amending the trade preferences for poultry meat and poultry meat preparations provided for by 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 committee recommended that the European Parliament give its consent to conclusion of the agreement.

As a reminder, under a Deep and Comprehensive Free Trade Area (DCFTA), which is part of the Association Agreement between EU and Ukraine signed in 2014, most tariff lines are liberalised or are subject to specific tariff rate quotas. Poultry meat and poultry meat products are considered as sensitive items. Therefore, they are subject to a duty-free tariff rate quota (TRQ) under DCFTA.

However, the Ukrainian poultry imports of fresh or frozen other cuts under the tariff lines CN 0207 13 70 and 0207 14 70 are liberalised without any quantitative restrictions. Since 2016 the EU has been receiving exponentially increasing amounts of poultry cuts exactly under these two unprotected tariff lines, with imports rising from 3.700 tons in 2016 to more than 55.000 tons in 2018.

Therefore, the committee recommends Parliament to give consent to this amending agreement as it provides a solution for the current situation caused by the excess import of Ukrainian poultry meat, namely by:

- integrating the two tariff lines CN 0207 13 70 and 0207 14 70 into the existing tariff rate quota (TRQ);
- increasing the size of the TRQ by 50 000 tons and subjecting all the excess imports of the above-mentioned tariff lines as well as other tariff lines to MFN duty rate.

The rapporteur called for a quick implementation of the agreement concluded in the form of exchange of letters, modifying the trade preferences for poultry meat and poultry meat preparations, as this creates a stable and predictable trading environment by closing the existing gaps under the current provisions.

EU/Euratom/Ukraine Association Agreement: trade preferences for poultry meat and poultry meat preparations

The European Parliament adopted by 444 votes to 128, with 74 abstentions, a legislative resolution on the draft Council decision on conclusion, on behalf of the Union, of the Agreement in the form of an exchange of letters between the European Union and Ukraine amending the trade preferences for poultry meat and poultry meat preparations provided for by 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 gave its consent to the conclusion of the Agreement.

The purpose of the Agreement in the form of an Exchange of Letters is to amend the trade preferences provided for in the Association Agreement between the European Union and Ukraine in respect of poultrymeat and poultrymeat preparations. It aims to find a solution to the rapid increase in duty free imports of this particular poultry cut, which was neither existent nor foreseeable during the negotiations of the Association Agreement.

EU/Euratom/Ukraine Association Agreement: trade preferences for poultry meat and poultry meat preparations

PURPOSE: to approve the conclusion of the Agreement in the form of an exchange of letters between the European Union and Ukraine amending the trade preferences for poultry meat and poultry meat preparations provided for by 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.

NON-LEGISLATIVE ACT: Council Decision (EU) 2019/2145 on the conclusion, on behalf of the Union, of the Agreement in the form of an Exchange of Letters between the European Union and Ukraine amending the trade preferences for poultry meat and poultry meat preparations provided for by 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 Council approved, on behalf of the European Union, the Agreement in the form of an Exchange of Letters between the

European Union and Ukraine amending the trade preferences for poultry meat and poultry meat preparations provided for by 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 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 entered into force on 1 September 2017. Negotiations to find a solution by amending trade preferences were successfully concluded on 19 March 2019. The Agreement in the form of an exchange of letters was signed on 30 July 2019, subject to the conclusion of the said Agreement in the form of an Exchange of Letters.

As a reminder, a new type of poultry cut consists of a traditional breast cap with the humerus bones of the wings attached and can, after minimal transformation in the Union, be marketed in the Union as poultry breast. Unlimited imports of those cuts, of which imports from Ukraine reached 55 500 tons in 2018, therefore risk undermining the conditions under which traditional poultry breast cuts may be imported into the Union under the Association Agreement, in particular the quantitative restrictions in the form of a tariff rate quota.

The new poultry regime will handle boneless and bony chicken breasts on a single tariff line, and will raise the amounts that Ukraine is able to export to the EU without tariffs. Once Ukrainian exporters have exhausted the duty-free quota, they will have to pay duties on additional exports to the EU.

ENTRY INTO FORCE: 05/12/2019.