Commission Implementing Decision (EU) 2019/1203 of 12 July 2019 determining that a temporary suspension of the preferential customs duty is not appropriate for imports of bananas originating in Guatemala

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on European Union and to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 20/2013 of the European Parliament and of the Council of 15 January 2013 implementing the bilateral safeguard clause and the stabilisation mechanism for bananas of the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other[(1)], and in particular Article 15(2) thereof,

Whereas:

(1) The Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America, on the other[(2)] ('the Agreement') introduced a stabilisation mechanism for bananas, which provisionally started applying to the Central American countries during 2013 and to Guatemala specifically on 1 August 2013.

(2) The stabilisation mechanism for bananas, which is implemented by Regulation (EU) No 20/2013, establishes that once a defined trigger volume for imports of fresh bananas (heading 0803 90 10 of the European Union Combined Nomenclature of 1 January 2012) is met by one of the countries concerned, the Commission adopts an implementing act, to either temporarily suspend the preferential customs duty applied to imports of fresh bananas from that country or determine that such suspension is not appropriate.

(3) On 13 May 2019, imports into the Union of fresh bananas originating in Guatemala reached 78 133 tonnes and exceeded the defined trigger volume for imports of 72 500 tonnes as set out in the Annex to Regulation (EU) No 20/2013.

(4) Pursuant to Article 15(3) of Regulation (EU) No 20/2013, the Commission considered the impact of the imports concerned on the situation of the Union market for bananas in order to decide whether or not the preferential customs duty should be suspended. The Commission examined the effect of the imports concerned on the Union price level, the development of imports from other sources and the overall stability of the Union market for fresh bananas.

Changes to legislation: *There are currently no known outstanding effects for the Commission Implementing Decision (EU) 2019/1203. (See end of Document for details)*

(5) Imports of fresh bananas from Guatemala represented 4,5 % of the imports into the Union of fresh bananas subject to the banana stabilisation mechanism, when the defined trigger volume for imports for 2019 was exceeded.

(6) At the same time, imports from large exporting countries with whom the Union also has a Free Trade Agreement, notably Colombia, Ecuador and Costa Rica amounted to 26 %, 30 % and 27 % of their defined trigger volumes for imports respectively. So far, especially imports from Costa Rica were lower than in previous years. The 'unused' quantities under the stabilisation mechanism, which amount to approximately 4,5 million tonnes, are significantly higher than the total imports from Guatemala which amount to 78 133 tonnes.

(7) The import price of fresh bananas from Guatemala was on average 630 EUR/tonne for the first quarter of 2019, which is 3,4 % lower than the average price of 652 EUR/tonne for the other imports of fresh bananas into the Union in the same period. In the first quarter of 2018, the average import price of bananas from Guatemala was 21,7 % lower than the other prices.

(8) In this context, even if the average wholesale price of 970 EUR/tonne for bananas of all origins in the first quarter of 2019 was 7,6 % lower than the corresponding price in the first quarter of 2018, that is to say 970 EUR/tonne in the first quarter of 2019 compared to 1 050 EUR/tonne in the first quarter of 2018, the average wholesale price of Union produced bananas in the first quarter of 2019 was 9,4 % higher than in the first quarter of 2018, that is to say 1 111 EUR/tonne in the former case compared to 1 007 EUR/tonne in the latter case.

(9) Since the imports of bananas from Guatemala are small, they have not had an impact on the Union banana market price. There is therefore, neither an indication that the stability of the Union market has been disturbed by the imports of fresh bananas from Guatemala in excess of the defined annual trigger import volume, nor any indication that the excess had any significant impact on the situation of Union producers.

(10) There is, moreover, no indication of a threat of serious deterioration in the Union market or of serious deterioration in the economic situation of the outermost regions of the Union in April 2019.

(11) The suspension of the preferential customs duty on imports of bananas originating in Guatemala therefore does not appear to be appropriate at this stage.

(12) It should be recalled that in 2018, imports from Guatemala exceeded the defined annual trigger import volume on 10 September and that, by the end of that year, they reached a level of 150 thousand tonnes. The Commission however, concluded in its subsequent analysis that neither those imports nor other imports from countries subject to the stabilisation mechanism caused disturbance on the Union market.

(13) Given that the yearly trigger volume is exceeded already in May 2019, even though the total imports from Guatemala into the Union market are low, the Commission will continue its monitoring in this regard and may adopt measures at the later stage if appropriate.