Commission Implementing Decision (EU) 2019/1005 of 19 June 2019 determining that a temporary suspension of the preferential customs duty is not appropriate for imports of bananas originating in Nicaragua

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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 Nicaragua 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 25 March 2019, imports into the Union of fresh bananas originating in Nicaragua exceeded the defined trigger volume for imports of 14 500 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) 2019/1005. (See end of Document for details)*

(5) Imports of fresh bananas from Nicaragua represented 1,5 % of imports into the Union of fresh bananas subject to the banana stabilization 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 14,4 %, 19,3 % and 16,9 % of their defined trigger volumes for imports respectively. The 'unused' quantities under the stabilization mechanism, which amount to approximately 5 million tonnes, are significantly higher than the total imports from Nicaragua on 25 March 2019 which amount to 15 600 tonnes.

(7) The import price from Nicaragua was on average 572 EUR/tonne for the first 2 months of 2019, which is 16 % lower than the average price of the other imports of fresh bananas into the Union, which was 648 EUR/tonne. In 2018 the average import price of bananas from Nicaragua was 26 % lower than the average price of the other imports of fresh bananas into the Union.

(8) Therefore, although the average wholesale price for bananas, coming from all origins, in January and February 2019 was 8,3 % lower than the corresponding price in January and February 2018, that is to say 944 EUR/tonne in January and February 2019 compared to 1 029 EUR/tonne January and February 2018, the average wholesale price of Union produced bananas in January and February 2019 was 7,7 % higher than in January and February 2018, that is to say 1 086 EUR/tonne in the former case compared to 1 008 EUR/tonne in the latter case.

(9) Since the imports of bananas from Nicaragua 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 Nicaragua in excess of the defined annual trigger import volume, nor that that 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 March 2019.

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

(12) It should be recalled that in 2018, imports from Nicaragua exceeded the defined annual trigger import volume on 10 April and that, by the end of that year, they reached a level of 81 000 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 was exceeded already in March, and even though the total imports from Nicaragua 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.