Commission Implementing Decision (EU) 2018/1888 of 3 December 2018 determining that a temporary suspension of the preferential customs duty pursuant to Article 15 of Regulation (EU) No 19/2013 of the European Parliament and of the Council and pursuant to Article 15 of Regulation (EU) No 20/2013 of the European Parliament and of the Council is not appropriate for imports of bananas originating in Guatemala and Peru

COMMISSION IMPLEMENTING DECISION (EU) 2018/1888

of 3 December 2018

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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 19/2013 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 Trade Agreement between the European Union and its Member States, of the one part, and Colombia, Peru and Ecuador of the other part[(1)], and in particular Article 15(2) thereof,

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[(2)], and in particular Article 15(2) thereof,

Whereas:

(1) A stabilisation mechanism for bananas has been introduced by the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America, on the other hand. A similar mechanism was included in the Trade Agreement between the European Union and its Member States, of the one part, and Colombia, Peru and Ecuador, of the other part. These Agreements ('the Agreements'), provisionally started to apply for Guatemala on 1 August 2013 and for Peru on 1 March 2013.

(2) According to these stabilisation mechanisms, as implemented by Regulation (EU) No 20/2013 and by Regulation (EU) No 19/2013, once a defined trigger volume is exceeded for imports of fresh bananas[(3)] from one of the countries concerned, the Commission may either temporarily suspend the preferential customs duty applied to imports of fresh bananas for that country or determine that such suspension is not appropriate. This

should be done by an implementing act to be adopted in accordance with the urgency procedure laid down in Article 14(4) of Regulation (EU) No 20/2013 and in Article 14(4) of Regulation (EU) No 19/2013.

(3) On 10 September and 15 October 2018, imports into the Union of fresh bananas originating in Guatemala and Peru exceeded their trigger volume of respectively 70 000 tonnes and 97 500 tonnes, as defined by the respective relevant Agreements.

(4) In this context, pursuant to Article 15(3) of Regulation (EU) No 20/2013 and pursuant to Article 15(3) of Regulation (EU) No 19/2013, the Commission analysed 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 has 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.

(5) On 15 October 2018 imports of fresh bananas from Guatemala and Peru represented 2,95 % and 2,80 % of the imports to the Union of fresh bananas subject to the stabilisation mechanism. Furthermore, Guatemala and Peru represented respectively 1,8 % and 2,2 % of the total imports of fresh bananas into the Union.

(6) At the same time, imports from large exporting countries also subject to the stabilisation mechanism, notably Colombia, Ecuador and Costa Rica amounted to respectively 51 %, 64,3 % and 64,3 % of their thresholds. The ‘unused’ quantities under the stabilisation mechanism (approximately 2,4 million tonnes) are therefore significantly higher than the total imports from Guatemala and Peru (105 366 and 99 698 tonnes).

(7) The import prices from Guatemala and Peru were on average 527 EUR/tonne and 730 EUR/tonne for the first 8 months of 2018 (last available data), which is respectively 20 % lower and 10,7 % higher than the average prices of the other imports of fresh bananas into the Union.

(8) In this context, despite the low price of bananas imported from Guatemala, the average wholesale banana price on the Union market in July 2018, did not register any downward change and remained high. Indeed, the average wholesale price for bananas (of all origins) amounted to 911,5 EUR/tonne in August 2018, which is 2,8 % higher than the corresponding price in August 2017 (855,3 EUR/tonne). Furthermore, the average wholesale price of Union produced bananas was 1 228,6 EUR/tonne in August 2018, which is 38,9 % higher than the level in August 2017 (884,6 EUR/tonne). This is also despite the fact that imports from Nicaragua have now exceeded their threshold by 409 %.

(9) Given the fact that the imports of bananas from Guatemala and Peru are respectively small, they have not had an impact on the Union banana market price. There is thus at this stage neither an indication that the stability of the Union market has been disturbed by the imports of fresh bananas from Guatemala and Peru in excess of the defined annual trigger import volume, nor that these had a significant impact on the situation of Union producers.