COMMISSION IMPLEMENTING DECISION (EU) 2016/1878

of 21 October 2016

determining that the temporary suspension of the preferential customs duty established under 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, is not appropriate for imports of bananas originating in Guatemala for the year 2016

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 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, which provisionally started to apply in the Central American countries during 2013, the latest being Guatemala on 1 December 2013.

(2) According to this mechanism, and pursuant to Article 15(2) of Regulation (EU) No 20/2013, once a defined trigger volume is exceeded for imports of fresh bananas (heading 0803 90 10 of the European Union Combined Nomenclature of 1 January 2012) from one of the countries concerned, the Commission shall adopt an implementing act by which it 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.

(3) The decision of the Commission shall be taken in accordance with Article 8 of Regulation (EU) No 182/2011 of the European Parliament and of the Council ([2]), in conjunction with Article 4 thereof.

(4) Imports into the European Union of fresh bananas originating in Guatemala exceeded the threshold of 65 000 metric tonnes defined by the above Agreement on 15 September 2016.

(5) In this context, pursuant to Article 15(3) of Regulation (EU) No 20/2013, the Commission took into consideration 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. For this purpose 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.

(6) Imports of fresh bananas from Guatemala represented 3,4 % of the total imports to the European Union of fresh bananas subject to the banana stabilization mechanism when they exceeded their threshold for 2016. Furthermore, Guatemala represented only 2 % of the total imports of fresh bananas into the European Union in the period January 2016-June 2016. Based on a projection of imports until the end of 2016 and taking into consideration the development of the monthly imports so far in 2016, imports of bananas from Guatemala are unlikely to exceed 4 % of the total imports for the whole year 2016, i.e. the yearly import level of Guatemala would be in line with that of 2015.

(7) The import price from Guatemala was on average 600 EUR/tonne for the first 6 months of 2016, which is 1 % lower than the average prices of other imports of fresh bananas into the EU.

([1]) OJ L 17, 19.1.2013, p. 13.
([2]) Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

(8) Imports of fresh bananas from other traditional large exporting countries with whom the EU also has a Free Trade Agreement, notably Colombia, Costa Rica and Panama, remained up to September 2016 largely below the thresholds defined for them in the comparable stabilisation mechanisms, and they have been following similar trends and unit values in the past four years. For example the level of imports from Colombia and Costa Rica were respectively 915 thousand tonnes and 542 thousand tonnes below their defined thresholds in September 2016, which is significantly higher than the total trigger level for Guatemala for a whole year (65 thousand tonnes).

(9) The average wholesale banana price on the Union market in early September 2016 (945 EUR/tonne) did not register notable changes compared to the average wholesale prices of yellow bananas for the previous months.

(10) There is thus 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 that this had any significant impact on the situation of EU producers.

(11) Finally there is no indication of threat of serious deterioration or a serious deterioration for producers in the outermost regions of the EU in August 2016.

(12) On the basis of the examination above, the Commission has concluded that the suspension of preferential customs duty on imports of bananas originating in Guatemala is not appropriate.

(13) Given that the yearly trigger volume is exceeded already in September, even if the total import volumes from Guatemala are low on the EU market, the Commission nevertheless will continue its regular follow-up activities in this regard,

HAS ADOPTED THIS DECISION:

Article 1

The temporary suspension of preferential customs duty on imports of fresh bananas classified under heading 0803 90 10 of the European Union Combined Nomenclature and originating in Guatemala is not appropriate during the year 2016.

Article 2

This Decision shall enter into force on the day of its publication in the *Official Journal of the European Union*.

Done at Brussels, 21 October 2016.

For the Commission
The President
Jean-Claude JUNCKER