COMMISSION IMPLEMENTING DECISION (EU) 2017/1104

of 20 June 2017

determining that a temporary suspension of the preferential customs duty pursuant to Article 15 of Regulation (EU) No 20/2013 is not appropriate for imports of bananas originating in Nicaragua

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) 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 ([2]) ('the Agreement'), which provisionally started applying to the Central American countries during 2013 and to Nicaragua specifically on 1 August 2013.

(2) According to that stabilisation mechanism, as implemented by Regulation (EU) No 20/2013, once a defined trigger volume is exceeded for imports of fresh bananas (heading 0803 00 19 of the European Union Combined Nomenclature of 1 January 2012) from one of the countries concerned, the Commission may by implementing act, to be adopted in accordance with the urgency procedure laid down in Article 14(4) of Regulation (EU) No 20/2013, 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) Imports into the Union of fresh bananas originating in Nicaragua exceeded the threshold of 13 500 tonnes defined by the Agreement on 2 May 2017.

(4) 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. 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) Imports of fresh bananas from Nicaragua represented only 1,0 % of the imports to the Union of fresh bananas subject to the banana stabilization mechanism when the imports exceeded the threshold for 2017. Furthermore, Nicaragua represents less than 1,0 % of the total imports of fresh bananas into the Union.

(6) Imports from large exporting countries with whom the Union also has a Free Trade Agreement, notably Colombia, Ecuador and Costa Rica amounted to 26,5 %, 27,8 % and 27,1 % of their thresholds respectively. The 'unused' quantities under the stabilization mechanism (approximately 4,2 million tonnes) are significantly higher than the total imports from Nicaragua to date (15 600 tonnes).

(7) The import price from Nicaragua was on average 513 EUR/tonne for the first 2 months of 2017, which is 24 % lower than the average prices of the other imports of fresh bananas into the Union.

(8) The average wholesale banana price on the Union market in April 2017 (1 020 EUR /tonne) did not register notable changes compared to the average wholesale prices of yellow bananas for the previous months.

(9) 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 Nicaragua in excess of the defined annual trigger import volume, nor that this had any significant impact on the situation of Union producers.

([1]) OJ L 17, 19.1.2013, p. 13.
([2]) OJ L 346, 15.12.2012, p. 1.

(10) There is no indication of threat of serious deterioration or of serious deterioration in the economic situation in the outermost regions of the Union in May 2017.

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

(12) Given that the yearly trigger volume is exceeded already in May, 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 if appropriate,

HAS ADOPTED THIS DECISION:

Article 1

The temporary suspension of preferential customs duty on imports of fresh bananas classified under heading 0803 00 19 of the European Union Combined Nomenclature and originating in Nicaragua is not appropriate.

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, 20 June 2017.

For the Commission
The President
Jean-Claude JUNCKER