

COMMISSION IMPLEMENTING DECISION (EU) 2018/874**of 14 June 2018****determining that a temporary suspension of the preferential customs duty 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 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) On 10 April 2018, imports into the Union of fresh bananas originating in Nicaragua exceeded the threshold of 14 000 tonnes as defined by the Agreement.
- (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 1,2 % of the imports to the Union of fresh bananas subject to the banana stabilisation mechanism when the imports exceeded the threshold for 2018. Furthermore, Nicaragua represents 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 17,8 %, 23,4 % and 22,2 % of their thresholds respectively. The 'unused' quantities under the stabilisation mechanism (approximately 4,8 million tonnes) are significantly higher than the total imports from Nicaragua to date (14 787 tonnes).
- (7) The import price from Nicaragua was on average 488 EUR/tonne for the first 2 months of 2018, which is 26 % lower than the average prices of the other imports of fresh bananas into the Union.
- (8) Despite the low price of bananas imported from Nicaragua, the average wholesale banana price on the Union market in March 2018 did not register any downward change and remained high. Indeed, the average wholesale price for bananas (of all origin) amounted to 1 094 EUR/tonne in March 2018, which is 11 % higher than the corresponding price in March 2017 (977 EUR/tonne). Furthermore, the average wholesale price of Union-produced bananas was 1 006 EUR/tonne in March 2018, which is comparable to the level in March 2017 (996 EUR/tonne).

⁽¹⁾ OJ L 17, 19.1.2013, p. 13.

⁽²⁾ OJ L 346, 15.12.2012, p. 1.

- (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.
- (10) There is moreover no indication of 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 2018.
- (11) Therefore, the suspension of preferential customs duty on imports of bananas originating in Nicaragua does not appear appropriate at this stage.
- (12) It should be recalled that in 2017, imports from Nicaragua exceeded the threshold on 2 May and that, by the end of that year, they reached a level of 50 000 tonnes. The Commission however concluded in its subsequent analysis that neither these 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 April, 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, 14 June 2018.

For the Commission
The President
Jean-Claude JUNCKER
