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EU TARIFF QUOTAS FOR UKRAINIAN PRODUCTS: USE, BARRIERS AND STRATEGIES OF EXPORTERS

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Abstract. The study presents the features of the functioning of the European Union (EU) tariff quotas for Ukrainian products as an instrument for regulating bilateral trade with Ukraine under the Deep and Comprehensive Free Trade Area (DCFTA). The dynamics of the use of tariff quotas by Ukrainian exporters are examined, and the main barriers that complicate access to quota volumes are identified, in particular quantitative restrictions, administrative procedures, regulatory requirements and logistical difficulties. Special attention is paid to the impact of the restoration of the quota regime from June 2025, which poses new challenges for agricultural and food exports. The main barriers that prevent the full use of quota volumes are identified. Based on the analysis, strategies for adapting Ukrainian exporters to new conditions were proposed: active management of export flows taking into account the quota calendar, development of production of products with high added value, diversification of sales markets, digitalization of customs clearance processes and strengthening cooperation between business and the state in the context of negotiations with the EU on the revision of quotas. The conclusion was made about the need for coordinated actions of the state and business for the effective use of trade opportunities within the current tariff quotas.

Keywords: tariff quotas, European Union, agricultural products, trade barriers, export strategies.

Introduction. Deepening trade and economic relations between Ukraine and the European Union (EU) is a key factor in the integration of the Ukrainian economy into the European market. In this context, the Deep and Comprehensive Free Trade Area (DCFTA), which is a component of the Association Agreement between Ukraine and the EU, plays a special role. One of the important mechanisms for regulating the access of Ukrainian products to the EU market is tariff-rate quotas (TRQs), which combine elements of tariff and non-tariff regulation. Tariff quotas establish limited volumes of goods that can be imported into the EU at zero or preferential import duty rates. Their presence creates both opportunities and restrictions for Ukrainian exporters, in particular in the agricultural sector, which is the leading sector in the structure of Ukraine's foreign trade.



After the start of the full-scale war in 2022, the EU temporarily abolished all customs tariffs and quotas on Ukrainian goods. However, in 2025, a gradual return to the quota regime for individual product groups began, which necessitates a review of export strategies and state support instruments. In this regard, there is a need for a systematic analysis of the current mechanism of EU tariff quotas, the degree of their use, existing barriers for Ukrainian exporters, and possible strategies for adapting to new trade conditions.

The purpose of this study is to study the mechanism of action of EU tariff quotas on Ukrainian products, analyze the problem of their use and determine effective strategies for exporters taking into account the current challenges of the foreign economic environment.

Main text.

A tariff rate quota regime is a mechanism under which imports of a certain good are allowed on preferential terms (e.g., at zero or reduced duty rates) up to a set volume; after that volume is exhausted, a standard or increased rate applies. In the context of trade between Ukraine and the EU and the Ukraine-EU Association Agreement (DCFTA), preferential tariff rate quotas are applied to certain agricultural and food products [1]. International trade can be a profitable business for agri-food communities. However, access to international markets can be expensive and thus unaffordable for small and medium-sized enterprises. This problem is exacerbated by trade policies that require minimum quantitative commitments on export volumes, such as tariff rate quota licensing mechanisms [2]. According to the Ukrainian portal on EU integration, tariff quotas were established within the framework of preferences for several dozen (for example, 36) types of products: honey, cereals, poultry meat, dairy products, etc. [3].

As of 2025, the quota regime has been restored since June 6, 2025: the EU published Regulation 1132/2025, which established that from this date tariff quotas for Ukrainian agricultural goods will be in effect again – with the application of the “7/12” principle (i.e., for 7 months of the year) and on the “first come, first served” principle (quotas have administration mechanisms: some goods operate under a licensing



system, others on the “first come, first served” principle) [4]. Preliminary data for 2018–2019 showed that quota fill was very different, for example: quota use for wheat and corn reached 100% or close to it; barley, oats - much lower [5]. Thus, the tariff quota regime for Ukrainian products is an important element of regulating access to the EU market - it creates preferential conditions, but at the same time sets clear quantitative limits.

Despite the availability of preferences, Ukrainian exporters face a number of barriers that reduce the effectiveness of using tariff quotas.

1. Quantitative restrictions and rapid exhaustion. The quotas themselves set a limit beyond which the benefits disappear, meaning that some of the quotas can be quickly exceeded and subsequent supplies are subject to the standard customs duty. Since quotas have fixed volumes, their exhaustion – especially in cases of high demand or low entry barriers – leads to the loss of preferences. For example, in the case of eggs and sugar, the EU activated an “emergency brake” mechanism in 2024 (automatic introduction of quotas or duties after exceeding the import threshold) [6].

2. Administrative and regulatory barriers. The first-come, first-served principle means that delays in submitting licenses or completing paperwork can result in the loss of quota access. In addition, regulatory changes (e.g., the return to quotas in 2025) create uncertainty for exporters [7]. All of this increases the risk of a lack of timely response.

3. Logistical and standard barriers. Ukrainian producers often have a lower level of integration into EU supply chains, less experience with EU standards, higher logistics costs – all of which reduce competitiveness even with a zero customs rate within the quota.

4. External competition and political risks. The supply of Ukrainian goods under preferential conditions leads to a reaction from farmers in EU member states, which may stimulate the introduction of “emergency brakes” or revision of quota conditions. In addition, changes in the support regime (for example, the abolition of autonomous trade measures) create the risk of sudden changes in conditions [8]. Changes in regulations, war, logistical risks – all this increases costs and risks for Ukrainian



exporters.

5. Insufficient use of added value. If Ukrainian exporters ship mostly raw materials or semi-finished products, they are less likely to take advantage of premium market opportunities and have less protection from competition. This limits their flexibility within quotas.

Thus, the above means that the presence of a quota does not guarantee its full filling with exports or obtaining maximum benefits from preferences - an active strategy is needed, and given the above barriers, the following strategies are important for Ukrainian exporters and the state:

1. Timely planning and monitoring: Exporters must closely monitor quota openings, licensing deadlines, and application deadlines to ensure they are on a first-come, first-served basis. This means investing in information systems and coordinating with customs/trade authorities.

2. Increasing the value added of products. Shifting from raw materials to higher value-added products (e.g., processed grains, dairy products, prepared foods) can reduce competition within quantitative restrictions and increase export profitability.

3. Diversification of sales markets. Since the EU market with quotas is limited, it is advisable for Ukrainian suppliers to look for alternative markets (Asia, Africa, the Middle East). This is especially important in the event of quota exhaustion or a change in the regime. For example, agreements on new quotas or revision of the regime open up additional markets [9].

4. Optimizing logistics, certification and compliance. Investing in supply chains, certifying compliance with EU standards, reducing transportation costs - all this increases competitiveness, especially when the quota allows a zero rate, but competition for volume is high.

5. Cooperation between the state and business. The state should create favorable conditions: transparent administration of quotas, informing exporters, supporting the development of clusters and cooperatives, negotiations with the EU on expanding or revising quotas. For example, the Ukrainian authorities called on the EU to revise the volume of quotas in order to avoid stopping exports [2, 10].



6. Activation of negotiating potential. In the context of the revision of agreements, Ukraine and the EU should work together to update the terms of quotas, taking into account changes in logistics, production capabilities, and market conditions [9].

7. Development of industry associations and export associations. Uniting producers into industry associations or cooperatives allows: to better coordinate access to quotas (especially when quotas are distributed among applicants); to conduct a systematic dialogue with state authorities and the EU regarding export conditions; to carry out collective certification and promotion of products on the EU market. For example: The Ukrmolprom Association can act as a lobby for increasing quotas or simplifying technical regulation.

8. Implementation of export insurance and support programs for small and medium-sized businesses (SMEs). SMEs often do not have the resources to independently go through all stages of entering the EU market (certification, logistics, marketing). The state can: stimulate export risk insurance through the ECA (Export Credit Agency); provide compensation for certification costs; develop grant programs for small producers entering the European market. For example, the USAID AGRO Program offered similar support to farmers in 2021–2023 [11].

9. Creation of digital platforms and transparent quota portals. It is important to ensure: open access to information on the remaining quotas in real time; the ability to submit applications for a share of the quota online; automatic notification of businesses about new rules, changes, etc. For example, the TRACES platform (EU) is a model for automating food certification [12].

10. Promotion of the “Made in Ukraine” brand on the EU market. An effective strategy for promoting Ukrainian products as high-quality, safe, and sustainable. This increases the chances of being recognized within and beyond the quotas. Possible measures include: regular participation in European exhibitions (SIAL [13], ANUGA [14]); advertising campaigns on the EU market; use of geographical indication systems (e.g., “Carpathian honey”).

11. Use of trade diplomacy mechanisms. It is necessary to strengthen the work of Ukrainian trade missions in EU member states: advocacy for increasing quotas;



protection of exporters' interests in conflicts (for example, as in the case of the Polish blockade); participation in technical negotiations on the revision of the Association Agreement (the revision of the trade provisions of the AA, planned for 2026, is a very important window of opportunity).

12. Supporting the transition to sustainable production. The EU is actively implementing the European Green Deal and new regulations (e.g., CBAM, ESG, Farm to Fork [15]). In the coming years, compliance with these criteria will become a condition for entering the market. Ukraine should: support farmers in implementing environmental standards, create a base of "green" certificates (organic, carbon footprint), and adapt domestic legislation to EU standards.

Conclusion.

EU tariff quotas for Ukrainian products create a real opportunity to access the large European market on preferential terms. At the same time, their effective use is limited by a number of quantitative, administrative, logistical and competitive barriers. For Ukrainian exporters, it is important to implement a strategic approach: timeliness, added value, logistics, market diversification, as well as cooperation with the state. For its part, state policy should be focused on creating transparent and stable conditions, supporting producers and actively working with the EU to revise the quota regime. The study shows that only a combined approach of the state and business will allow the Ukrainian agrarian and export community to maximize the potential provided by tariff quotas. Therefore, EU tariff quotas for Ukrainian products are an important tool that can both stimulate exports and act as a barrier.

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Анотація. У дослідженні подано особливості функціонування тарифних квот Європейського Союзу (ЄС) щодо української продукції як інструменту регулювання двосторонньої торгівлі з Україною в умовах дії Поглибленої та всеосяжної зони вільної торгівлі (DCFTA). Розглянуто динаміку використання тарифних квот українськими експортерами, виявлено основні бар'єри, які ускладнюють доступ до квотних обсягів, зокрема кількісні обмеження, адміністративні процедури, регуляторні вимоги та логістичні труднощі. Окрему увагу приділено впливу відновлення квотного режиму з червня 2025 року, що зумовлює нові виклики для аграрного та харчового експорту. Визначено основні бар'єри, які перешкоджають повному освоєнню квотних обсягів. На основі аналізу запропоновано стратегії адаптації українських експортерів до нових умов: активне управління експортними потоками з урахуванням календаря квот, розвиток виробництва продукції з високою доданою вартістю, диверсифікація ринків збуту, цифровізація процесів митного оформлення та зміцнення співпраці між бізнесом і державою в контексті переговорів із ЄС щодо перегляду квот. Зроблено висновок про необхідність скоординованих дій держави та бізнесу для ефективного використання торговельних можливостей у межах діючих тарифних квот.

Ключові слова: тарифні квоти, Європейський Союз, аграрна продукція, торговельні бар'єри, стратегії експорту.