

**EUROPEAN COMMUNITIES - REGIME FOR THE
IMPORTATION, SALE AND DISTRIBUTION OF BANANAS**

Status Report by the European Communities

The following communication, dated 10 July 1998, from the Permanent Delegation of the European Commission to the Dispute Settlement Body, is circulated pursuant to Article 21.6 of the DSU.

Status Report on the Progress on the Implementation of the
Recommendations and Rulings

Pursuant to Article 21.6 of the DSU, the Community is pleased to inform the DSB of significant progress towards implementing the rulings and recommendations of the DSB concerning the Community's banana regime.

In the context of those recommendations and rulings, the Council of the European Union, after consulting the European Parliament, has taken the decision in principle to amend the external trade provisions of Regulation 404/93. That decision will be followed by another implementing regulation concerning the new rules on licensing system which will be adopted by the Commission of the European Communities. An express delegation of powers has been decided by the Council of the European Union to this effect. Thirdly, the Council of the European Union has authorized the Commission of the European Communities to open a negotiation in order to seek agreement with respect to the allocation of shares in the EC banana tariff rate quotas with all the other contracting parties having a substantial interest in supplying the product concerned pursuant to Article XIII:2(d) of the General Agreement.

Both regulations will enter into force in the following weeks, three days after they are published in the Official Journal of the European Communities. They will be applicable as from 1 January 1999. The European Communities confirm that the reasonable period of time of 15 months and one week that was awarded by the Arbitrator, Mr. El-Naggar, under Article 21.3 of the Dispute Settlement Understanding will be duly respected.
