

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

Status Report by the European Communities

Addendum

Status Report on the Implementation of the Recommendations and Rulings
in the Dispute Regarding European Communities – Regime for the Importation,
Sale and Distribution of Bananas

In keeping with the Understanding on Rules and Procedures governing the Settlement of Disputes (DSU), the European Communities is obliged to inform the Dispute Settlement Body (DSB) of the status of implementation of the recommendations and rulings in the dispute regarding "European Communities – Regime for the Importation, sale and distribution of Bananas". This matter will be again on the agenda of the DSB on 22 September 1998 and, as provided for in Article 21.6 of the DSU, the Community presents its second report.

As described in our status report of 13 July 1998, the implementation of the recommendations of the DSB requires a modification of the trade provisions of Regulation 404/93. In this context, the Council of the European Union, after consulting the European Parliament has adopted Council Regulation n°1637/98 of 20 July 1998, published in the Official Journal of the European communities (OJEC) L 210 of 28 July 1998.

That Regulation, which is for the time being a partial implementation of the DSB recommendations, will be followed, within the coming months, by another regulation concerning the detailed rules for the management of the import regime 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. This second regulation will conclude the implementing process.

Thirdly, the Council of the European Union has authorised 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 other contracting parties having a substantial interest in supplying the products concerned pursuant to Article XIII:2(d) of the General Agreement on Tariffs and Trade. The European Communities has initiated these formal consultations on 8 September 1998.

Council Regulation (EC) n°1637/98 entered into force on 31 July 1998, three days after it was published in the OJEC. It will be applicable as from 1 January 1999. The European Communities confirm that the reasonable period of time of 15 month and one week will be duly respected.