WORLD TRADE

ORGANIZATION

WT/DS105/1/Add.2 G/L/199/Add.2 G/LIC/D/15/Add.2 S/L/41/Add.2 G/TRIMS/D/11/Add.2

30 April 1998

(98-1746)

Original: Spanish

<u>EUROPEAN COMMUNITIES - REGIME FOR THE IMPORTATION,</u> SALE AND DISTRIBUTION OF BANANAS

Request for Consultations by Panama

Addendum

The following communication, dated 20 April 1998, from the Permanent Mission of Panama to the Permanent Delegation of the European Commission and to the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

On behalf of the Permanent Mission of Panama to the World Trade Organization I hereby request you, in your capacity as representative of the Permanent Delegation of the European Commission to the World Trade Organization, to continue the consultations with the European Communities that were initiated last December 1997 with a view to examining, with particular emphasis, the "Proposal for a Council Regulation (EC) amending Council Regulation (EEC) No. 404/93 on the common organization of the market for bananas and the Recommendation for a Council Decision authorizing the Commission to negotiate with countries having a substantial interest in the supply of bananas in order to reach an Agreement on the allocation of tariff quotas and the traditional ACP quantity (submitted by the Commission) COM/98/4 final - 98/0013 (CNS)" adopted by the European Commission on 14 January 1998 and currently awaiting approval by the Council of Ministers, as well as any subsequent legislation, regulations and/or administrative measures adopted by the European Communities which implement, supplement or amend the said proposal, including those reflecting, maintaining or reinstating the provisions of the Framework Agreement on Bananas.

This request is made on the basis of Article 4 of the Understanding on the Rules and Procedures Governing the Settlement of Disputes (DSU), Article XXII of the General Agreement on Tariffs and Trade (GATT) 1994, Article XXII of the General Agreement on Trade in Services (GATS) and Article 6 of the Agreement on Import Licensing Procedures (to the extent that it is related to Article XXII of the GATT 1994).

The Government of Panama takes the view that the discriminatory quota allocation provisions, the licensing provisions which permit the maintenance of discriminatory and insufficiently transparent regulations, and the provisions adopted by the European Commission on 14 January 1998, currently awaiting approval by the Council of Ministers, are clearly inconsistent with the European Communities'

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obligations under Article XIII of the GATT 1994, and raise doubts as to their consistency with Articles I, II and III of that Agreement, Articles II and XVII of the GATS and Articles 1 and 3 of the Agreement on Import Licensing Procedures.

These provisions also appear to nullify or impair benefits accruing to Panama directly or indirectly as a result of the cited Agreements and to hinder attainment of the objectives of those Agreements.