

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

Status Report by the European Communities

Addendum

The following communication, dated 3 May 2001, from the Permanent Delegation of the European Commission to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 21.6 of the DSU.

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

1. Since the last status report, the European Communities have continued their bilateral discussions with interested WTO Members.

Intensive discussions with the United States and Ecuador, as well as the other banana supplying countries, including the other co-complainants, have led to the common identification of the means by which the long-standing dispute over the EC's bananas import regime will be resolved.

2. In accordance with Article 16(1) of Regulation No (EC) 404/93 (as amended by Council Regulation No (EC) 216/2001, notified to the DSB as document WT/DS27/51/Add.16), the European Communities will introduce a Tariff Only regime for imports of bananas no later than 1 January 2006. GATT Article XXVIII negotiations will be initiated in good time to that effect.

3. In the interim period, starting on 1 July 2001, the European Communities will implement an import regime based on three tariff rate quotas, to be allocated on the basis of historical licensing.

4. The Commission Regulation for the management of the TRQs during the second semester of 2001 has been adopted on 2 May 2001 and will be published in the *Official Journal of the European Communities* in the coming days.

The new import licence arrangements will continue to be largely managed on the basis of historical references, with 83% of the quantities of the quotas managed in this way. However, in order to meet the requirements of the international obligations of the EU, and to ensure that non-traditional operators can pursue trade in bananas, several significant changes have been introduced. The major adjustment is the predominant use of a new definition of traditional operators that will now be based on primary importers, that is, importers who own or buy bananas in the country of origin and ship them to the EU. 17% of the quantities will be reserved for similar operators who do not have a suitable historic reference. This quantity will be managed on a "simultaneous examination" method.

5. A transfer from 1 January 2001 of 100.000 tonnes of bananas from the "C" tariff rate quota as currently defined by Council Regulation (EC) No 216/2001, to the autonomous "B" tariff rate quota, and the related reservation of the "C" quota to imports originating in the ACP countries, are conditioned by the granting of the appropriate WTO waivers.

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