

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

Status Report by the European Communities

Addendum

The following communication, dated 11 February 2000, 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

As it has been explained before to the DSB, the EC has now developed a proposal for the reform of the banana regime. The proposal envisages a two-stage process, comprising a tariff rate quota (TRQ) system for several years; this system should be replaced by a tariff only system no later than 1 January 2006. This proposal includes a decision to continue discussions with interested parties, in particular on the possible systems of distribution of licences for the tariff rate quota regime.

Those discussions are underway, and several proposals have been received and are being studied. There continue to be divergent views expressed by the main parties concerned, and even where there is apparent agreement, differences emerge in the details. As a result, no agreed conclusions can be reached at this stage.

As the proposal of November 1999 makes clear, if no feasible administrative system which will resolve the dispute can be found regarding the distribution system for licences in a TRQ system it will not be possible to maintain the proposal for a transitional TRQ regime; in that case negotiations under GATT Article XXVIII to replace the current system with a tariff only regime are envisaged.
