

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

Status Report by the European Communities

Addendum

The following communication, dated 12 October 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

The EC envisages the following way ahead: for a transitional period of time banana imports should be regulated by the establishment of tariff rate quotas (TRQs), managed on the basis of a "first come, first served" (FCFS) system. In time before the end of the transitional period, the EC will undertake GATT Article XXVIII negotiations with a view to establish a flat tariff system.

FCFS is recognized as a WTO compatible system for the management of TRQs. It is a straightforward and transparent system open for all operators.

The EC envisages to open three tariff rate quotas which are open for bananas of all origins. The management of all three tariff rate quotas will be identical with a tariff preference for ACP countries. The tariff level will not be prohibitive for bananas of non-ACP origin. In case this assessment proves to be wrong, the EC will reduce the in-quota tariff for non-ACP bananas in the third tariff quota during the year, as necessary.

The EC will now finalize its internal decision-making process with a view to implement the new regime rapidly.

---