

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

Recourse to Article 21.5 of the DSU by Ecuador

Communication from Nicaragua

The following communication, dated 29 January 2007, from the delegation of Nicaragua to the Chairman of the Dispute Settlement Body, is circulated at the request of that delegation.

The Government of Nicaragua takes note of the consultations now pending at the request of the Government of Ecuador in the matter *European Communities – Regime for the Importation, Sale and Distribution of Bananas – Recourse to Article 21.5 of the DSU by Ecuador* (WT/DS27/65/Rev.1).

Pursuant to an earlier consultation request on the same matter (WT/DS27/64, WT/L/607/Add.18), Nicaragua on 19 January 2006 already participated in Article 21.5 consultations with the European Communities ("EC") regarding the compliance of the EC's current banana measures, authorized under EC Council Regulation No. 1964/2005 and all associated implementing regulations, with the EC's WTO obligations. Those prior consultations, and various informal exchanges since then, have failed to resolve the dispute.

The absence of a solution to this dispute means that Nicaragua's banana industry, which provides thousands of jobs for the country's large rural population, continues to have no prospect of entering the EC banana market.

My authorities have accordingly instructed me to communicate Nicaragua's continuing "substantial trade interest" in this matter, and continuing position that any efforts to resolve this matter must involve the direct participation of Nicaragua and redress the specific compliance concerns Nicaragua has raised.

If a prompt and full resolution of this dispute is not found, as called for under Article 21 of the DSU, Nicaragua will need to pursue whatever further legal proceedings are necessary, including all appropriate steps to protect its substantial trade interest under DSU Article 21.5.
