EU/Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru and Venezuela Geneva Agreement, and EU/US Agreement: trade in bananas

2010/0057(NLE) - 07/03/2011 - Final act

PURPOSE: to conclude a Geneva Agreement on Trade in Bananas between the European Union and Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru and Venezuela and of an Agreement on Trade in Bananas between the European Union and the United States of America.

NON-LEGISLATIVE ACT: Council Decision 2011/194/EU on the conclusion of a Geneva Agreement on Trade in Bananas between the European Union and Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru and Venezuela and of an Agreement on Trade in Bananas between the European Union and the United States of America.

BACKGROUND: in accordance with Council Decision 2010/314/EU, the Geneva Agreement on Trade in Bananas between the European Union and Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru and Venezuela and the Agreement on Trade in Bananas between the European Union and the United States of America were signed on behalf of the Union on 31 May 2010 and 8 June 2010, respectively, subject to their conclusion at a later date.

It is now appropriate to approve these two Agreements on behalf of the European Union.

CONTENT: by this Decision, the Geneva Agreement on Trade in Bananas between the European Union and Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru and Venezuela and of an Agreement on Trade in Bananas between the European Union and the United States of America is signed on behalf of the European Union.

The main elements of this Agreement are as follows:

- to settle a long standing dispute between the EU and these countries on the EU trading for bananas;
- to apply specific tariffs for bananas from 15 December 2009 until 1 January 2017 (as specified in the Agreement). Upon signature of this Agreement, the EU shall apply retroactively the applicable tariff(s) specified in the Agreement for the period from 15 December 2009 to the date of signature. Duties paid in excess of the amount stipulated in this provision shall be reimbursed by the competent customs authorities upon request;
- if Doha Modalities are not established by 31 December 2013, the ensuing tariff cuts will be delayed until Doha Modalities are established. Under no circumstances shall the delay extend beyond 31 December 2015. The applicable tariff rates are provided in this case;
- the EU shall maintain a MFN tariff-only regime for the importation of bananas. This provision shall not be read to authorise non-tariff measures on bananas that are inconsistent with the EU's obligations under the WTO Agreements;
- in parallel, the EU should bind its tariff cuts provided in the Regulation, in accordance with the relevant provisions of the WTO.

Upon **Certification**, the pending disputes and all claims filed to date by any and all Latin American MFN banana suppliers under the procedures of Articles XXIV and XXVIII of the GATT 1994 with respect to the EU trading regime for bananas shall be settled. Within two weeks after Certification, the relevant parties to this Agreement shall jointly notify the DSB that they have reached a mutually agreed solution through which they have agreed to end these disputes.

The settlement of these disputes does not affect any party's right to initiate a new dispute under the Dispute Settlement Body (DSU), or future rights under the procedures of Articles XXIV and XXVIII of the GATT 1994.

The Latin American MFN banana suppliers agree that this Agreement shall constitute the EU's final market access commitments for bananas for inclusion in the final results of the next multilateral market access negotiation for agriculture products successfully concluded in the WTO (including the Doha Round).

ENTRY INTO FORCE: 7 March 2011.