Bananas: common organisation of the market CMO, import system (amend. Regulation (EEC) No 404/93)

1999/0235(CNS) - 04/10/2000 - Document attached to the procedure

Following successive rulings from the WTO, certain aspects of the Community's banana import regime have not been found to be in conformity with the WTO. Following the latest ruling in 1999 the Commission had extensive contacts with interested parties with a view to putting forward a proposal which would be generally accepted as resolving this dispute. The Commission has provided the Council with a succession of documents on this matter the most recent being a communication in July 2000. Following contacts with interested parties the Commission put forward its proposal in November 1999 for the modification of the existing import regime for bananas based on a 'tariff only' system after a transitional period during which a tariff quota system would apply, with preferential tariff access for ACP countries. A 'tariff only' system implies negotiations under under Article XXVIII GATT and therefore, the Commission put forward a proposal for a mandate for such negotiations. A 'tariff only' system should be introduced by 1 January 2006 at the latest. Under the proposed transitional system, there would be three tariff quotas: Quota A, Quota B and Quota C. As regards the management of quotas A, B and C, the Commission's proposal indicates that they can be managed through the Commission implementing regulation using traditional/newcomer and/or other methods. The Commission indicated that the preferred option for managing the TRQ during the transitional phase was a system of licence distribution based on a historical reference period. The Commission further indicated that a historical system could be adopted only if a mutually satisfactory solution was reached, respecting EC and international obligations and that the Commission would continue discussions with interested parties during the period when the Council and the Parliament examine the proposal. Parliament has not yet given its formal opinion on the proposal although it has adopted a report containing various proposed amendments. After several months of intensive contacts with the discussions on historical references getting nowhere, the Commission concluded in its July communication that since the negotiations on a method of managing tariff quotas on a historical basis have reached an impasse, the Commission will conclude its examination of the 'first come, first served' method as soon as possible, in consultation with interested parties, in order to seek a solution to the administrative and technical problems inherent in such a method. Following presentation of the July communication to the Council the Council asked the Commission to examine the possibility of managing the market using a quota system based on 'first come, first served'. It asked the Commission to report back after it had investigated the possible solutions, including the tariff solution and its implications. This communication responds to that request.