Bananas: common organisation of the market COM (amend. Regulation (EEC) No 404/93). Recommendation for a decision included

1998/0013(CNS) - 14/01/1998 - Legislative proposal

OBJECTIVE: to amend Regulation 404/93/EEC on the COM in bananas with a view to bringing Community rules into line with the Union's commitments in the framework of the WTO. SUBSTANCE: in September 1997 the dispute settlement body of the WTO found that some of the EU's provisions on the market organization for bananas infringed WTO rules; these infringements concerned import licences, the present allocation of the tariff quota to signatory countries of the Framework Agreement on bananas (Colombia, Costa Rica, Venezuela and Nicaragua) and the granting of export licences in signatory countries and certain quantities set for traditional imports from ACP States. The Commission therefore proposes to amend the basic regulation to bring it into line with the WTO conclusions in the following areas: - maintaining the tariff quota at its current level of 2.2 million tonnes with a customs duty of ECU 75 per tonne (ECU 765 per tonne for imports exceeding this quota); - setting a supplementary autonomous tariff quota of 353 000 tonnes together with a duty of ECU 300 per tonne to take account of enlargement of the Union and ensure an adequate supply to the market while preserving the competitive balance with imports from the ACP countries; - continuing to assign specific parts of the tariff quotas to exporting countries (these will however only be granted to suppliers with access to the remainder of the quota); - maintaining the maximum quantity for traditional imports from the ACP countries at its current level of 857 700 tonnes at nil duty; - raising the tariff preference for non-traditional ACP importers to ECU 200 per tonne, but abolishing the reserve part of the quota; - abolishing the current system of import licence categories, to be replaced by a system compatible with WTO rules (among the range of possible options, the Commission prefers a method based on consideration of traditional trade flows and newcomers, but does not exclude the other options). The Commission also establishes a new legal basis for dealing with exceptional circumstances pertaining to supply of the market, covering all supply origins without exception. In support of the measures covered by this proposal, the Commission has also proposed specific aid measures to traditional ACP banana importers (SYN98014) to enable them to adapt to the new market conditions.