



Procedure file

Basic information		
CNS - Consultation procedure Regulation	1999/0235(CNS)	Procedure completed
Bananas: common organisation of the market CMO, import system (amend. Regulation (EEC) No 404/93)		
Subject 3.10.06.01 Fruit, citrus fruits		

Key players			
European Parliament	Committee responsible		Rapporteur
	AGRI Agriculture and Rural Development		Appointed 16/10/2000
			PSE DARY Michel J.M.
	Former committee responsible		
	AGRI Agriculture and Rural Development		19/10/1999
			PSE DARY Michel J.M.
	Former committee for opinion		
	JURI Legal Affairs and Internal Market		The committee decided not to give an opinion.
	ITRE Industry, External Trade, Research, Energy		27/01/2000
			PSE WESTENDORP Y CABEZA Carlos
Council of the European Union	DEVE Development and Cooperation		11/01/2000
			PPE-DE FERNÁNDEZ MARTÍN Fernando
	Council configuration		Meeting
	Agriculture and Fisheries		2328
	General Affairs		2327
	Agriculture and Fisheries		2322
	General Affairs		2294
			Date

Key events			
10/11/1999	Legislative proposal published	COM(1999)0582	Summary
13/12/1999	Committee referral announced in Parliament		
27/03/2000	Vote in committee		Summary
27/03/2000	Committee report tabled for plenary, 1st	A5-0093/2000	

	reading/single reading		
13/04/2000	Debate in Parliament		
13/04/2000	Decision by Parliament	T5-0176/2000	Summary
13/04/2000	Report referred back to committee		
09/10/2000	Debate in Council	2294	
04/12/2000	Vote in committee		Summary
04/12/2000	Committee report tabled for plenary, 1st reading/single reading	A5-0374/2000	
13/12/2000	Debate in Parliament		
14/12/2000	Decision by Parliament	T5-0576/2000	Summary
29/01/2001	Act adopted by Council after consultation of Parliament		
29/01/2001	End of procedure in Parliament		
02/02/2001	Final act published in Official Journal		

Technical information

Procedure reference	1999/0235(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (after Amsterdam) EC 037
Stage reached in procedure	Procedure completed
Committee dossier	AGRI/5/12287; AGRI/5/12685

Documentation gateway

Legislative proposal		COM(1999)0582 OJ C 177 27.06.2000, p. 0028 E	10/11/1999	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0093/2000 OJ C 040 07.02.2001, p. 0006	27/03/2000	EP	
Economic and Social Committee: opinion, report		CES0360/2000 OJ C 140 18.05.2000, p. 0006	29/03/2000	ESC	
Text adopted by Parliament, partial vote at 1st reading/single reading		T5-0176/2000 OJ C 040 07.02.2001, p. 0162-0440	13/04/2000	EP	Summary
Document attached to the procedure		COM(2000)0621	04/10/2000	EC	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0374/2000 OJ C 232 17.08.2001, p. 0009	04/12/2000	EP	
Text adopted by Parliament, 1st reading/single reading		T5-0576/2000 OJ C 232 17.08.2001, p. 0204-0320	14/12/2000	EP	Summary

Additional information

Final act

[Regulation 2001/216](#)[OJ L 031 02.02.2001, p. 0002](#) Summary

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

PURPOSE : to amend the Regulation on the common organisation of the market in bananas. **CONTENT :** An amended regulation is required in order to comply with the rules of the World Trade Organisation (WTO) whose Dispute Settlement Body found the Community's import regime to be incompatible with WTO provisions. After extensive consultation, the Commission proposes: - The adoption of a tariff quota system (TRQ) on a transitional basis. This will eventually lead to a flat tariff system. The widespread preference for a TRQ system was recognised, but it was concluded that it could exist only on a transitional basis, and would facilitate the adaptation in ACP countries to a flat tariff system. - A flat tariff system should be introduced by 1 January 2006. Its level will need to be negotiated under GATT provisions, and a mandate for negotiations is part of the proposal. - The transitional system envisages three tariff rate quotas: The first would be a quota of 2.2 million tonnes at a rate of EUR 75/tonne. To this quantity a second quantity of 353 000 t at the same tariff level would be added. A third tariff quota of 850 000 would be open to both ACP and MFN bananas, but for ACP access, a preference of EUR 275/t would be accorded for ACP bananas. - Discussions continue on a method of allocation of tariff quotas.?

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

The committee adopted the report (consultation procedure) by Michel Dary (PES, F) amending the Commission proposal for a Council regulation on the common organisation of the market in bananas. The committee essentially rejected the Commission's proposals for a tariff-only system for banana imports by 2006 and demanded the retention of tariff quotas, for at least ten years, in order to protect vulnerable producers in the EU and in African, Caribbean and Pacific states. It feared that the flat-rate tariff system proposed by the Commission in order to bring the EU's banana regime into line with WTO rules would bankrupt producers in the Community's outlying regions and in ACP states, as the market would be flooded and prices would crash. The rapporteur acknowledged the Commission's difficulties in trying to square the circle between the divergent interests of the 15 EU Member States, the needs of vulnerable Community and ACP banana growers, WTO rules and reasonable prices for European consumers. However, the committee was determined that the EU would not abandon the small-scale producers in the EU's outlying territories or ACP exporters, who it feared would be swamped by the dollar bananas produced by multinationals in huge plantations in Latin America. It called for a transition period of at least ten years to allow Community and ACP producers to prepare for competition on world markets. It also opposed any automatic switch to a tariff-only system and rejected the "reverse auction" system for managing quotas on the basis of the order in which customs declarations were submitted. The committee called for a minimum tariff preference of EUR 300 per tonne for ACP countries during the transition period, instead of the EUR 275 proposed by the Commission, to guarantee them proper conditions of access and competition. It also insisted that the Commission assess the impact of the new regime on Community and ACP producers and operators and called for more CAP funding, Structural Fund assistance, compensation measures and marketing aid. It defended the European model of agriculture and called for special support measures for organic farming methods, particularly in ACP countries, as well as "fair trade" bananas. ?

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

The European Parliament voted by 157 to 52, with 5 abstentions, to refer the report back to Committee. This followed the Commission's refusal to accept the amendments tabled by the EP. The Parliament had proposed that there should be a transitional period of 10 rather than 6 years as proposed by the Commission to give the ACP producers time to adapt to the new system. It also sought to increase from EUR 275 to EUR 300 per tonne the preference figure for these ACP producers. Amendments were also tabled seeking to establish extra support for organic producers and 'fair trade' bananas. Parliament's Rapporteur was Mr. Michel Dary (PES, F).?

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

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 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.?

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

The committee adopted the report by Michel DARY (PES, F) amending the proposal under the consultation procedure. Essentially, the committee was opposed to tariff quotas for bananas being abolished automatically in 2006 and wanted the transitional tariff-quota regime to run for at least ten years. However, it also signalled its desire to see an end to the long-running banana trade dispute by offering concessions over some of the most contentious aspects of the proposal and accordingly adopted an amendment accepting a maximum tariff preference of EUR 300 per tonne for ACP producers. It also agreed to the "first-come first-served" system put forward by the Commission for managing the transitional quota system. However, the committee called for an annual report assessing the impact of the new banana market rules on EU producers and consumers, on the ACP countries and on the trade in organic and fair-trade bananas. It wanted the first report by January 2002 and said the Commission must put forward proposals to alter the system if necessary. ?

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

The European Parliament restated its opposition to many aspects of the Commission's package reforms intended to bring the EU's banana import regime into line with world trade rules, in particular the automatic abolition of tariff quotas in 2006. (Please refer to the previous document). It should be noted that the European Parliament demands an annual report assessing the impact of the new banana market rules on EU producers and consumers, on the ACP countries and on the trade in organic and fair-trade bananas. The House made clear that it wants the first report by January 2002 and says that the Commission must put forward proposals to alter the system if necessary. Commissioner FISCHLER told the House that whilst he could agree to a mid-term review of the new system, he would not be able to provide a report until the end of 2004 and could not agree to an annual report. Nor could he accept the bulk of Parliament's amendments passed in April and adopt yet once again at this plenary session.?

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

PURPOSE: to amend the existing Regulation on the common organisation of the market in bananas. COMMUNITY MEASURE: Council Regulation 216/2001/EC of 29 January 2001 amending Regulation 404/93/EC on the common organisation of the market in bananas. CONTENT: This Regulation seeks to settle the disputes arising from the import regime established by Regulation 404/93/EC and to take account of the conclusions of the special group set up under the dispute settlement system of the World Trade Organisation (WTO). Until the entry into force of a regime, the Community should be supplied under several tariff quotas open to imports from all origins and managed in line with the recommendations made by the dispute settlement body. The Regulation foresees that each year from 1 January, the following tariff quotas shall be opened: - a tariff quota of 2 200 000 tonnes net weight, called 'quota A'; - an additional tariff quota of 353 000 tonnes net weight, called 'quota B'; - an autonomous tariff of 850 000 tonnes net weight, called 'quota C'. These tariffs shall be open for imports of products originating in all third countries. Imports under tariff quotas 'A' and 'B' shall be subject to customs duty of EUR 75 per tonne. Imports under tariff quota 'C' shall be subject to a customs duty of EUR 100 per tonne. A tariff preference of EUR 300 per tonne shall apply to imports originating in ACP countries both under and outside the tariff quotas. Finally, bananas re-exported from the Community shall not be counted against the corresponding tariff quotas. ENTRY INTO FORCE: 05.02.2001.?