

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

Recourse to Article 21:5 DSU by Ecuador

Status Report by the European Communities

The following communication, dated 15 July 1999, from the Permanent Delegation of the European Commission to the Chairman of the Dispute Settlement Body, is circulated pursuant to the DSU.

In the light of Article 22.8 of the DSU, the Community wishes to report on the status of the implementation of the recommendations of the Panel established at the request of Ecuador on the Community banana regime.

As we have already informed this Body, the Community is studying several possible options for the amendment of its banana regime. Those options include the possibility of a tariff-only regime with a substantial preference for bananas of ACP origin, the possibility of the maintenance of the two current MFN tariff quotas, together with unlimited preference for ACP bananas, and the possibility of maintaining the current MFN quotas and opening a further quota with a more substantial preference for ACP bananas. If the option finally chosen involved quotas, we note that the panel mentioned that auctioning was a method of allocation of licences fully consistent with the WTO (WT/DS27/RW/ECU, paragraph 6.150).

As indicated in previous meetings, contacts have been taken, and are continuing, with all the main interested parties. Several meetings have been held at different levels with representatives of the Ecuadorian Government, and with the United States authorities. There have been meetings with the principal suppliers as a group, as well as individually. ACP countries and producers, traders and representatives of Community producers have conveyed their views.

At this stage, the main conclusion which can be drawn is that so far no single WTO-consistent solution has emerged on which all the most interested parties can agree. The Community is still considering all possible options with a view to achieving the solution which it considers best meets both the recommendations of the Panel and the interests of all the parties concerned.
