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**REPORT ON THE OPERATION OF THE
BANANA REGIME**

(Presented by the Commission)

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1. Introduction

This report gives an overview of the EC banana regime two years after its entry into force on 1 July 1993. A detailed explanation of the background to the regime and the situation in various Member States prior to the completion of the single market in bananas was given in the Report on the EC banana regime of July 1994 (document VI/5671/94).

i) Objectives of the banana regime

The regime is a delicate balance between the distinct and conflicting interests which themselves mirror the differing market organizations in individual Member States before 1993. Discussions within the Community institutions on implementing the single market in the banana sector started in the mid 1980s. The delay in establishing the single market for bananas (the regime came into effect six months after the 1 January 1993 deadline for the abolition of intra-Community customs controls) demonstrates how difficult it was to find a political compromise. In completing the single market for bananas, the banana regime seeks to fulfil a range of objectives.

Firstly, there are the commitments to Community producers as outlined in the Treaty. Situated largely in the peripheral regions of the Community, EC production is at a competitive disadvantage compared with banana production in other parts of the world. It is faced with particular social, structural and geographical problems in areas which, although not ideally suited to the cultivation of bananas, are unable to produce other agricultural products competitively. The protection afforded by the banana regime has been the key factor which has permitted Community production to maintain its presence on the EC market.

Secondly, the Community's obligations to the ACP States as embodied by the Lomé Convention have to be honoured. On bananas, these are set out in Protocol 5 to the Convention. Many ACP banana producing states are faced with similar problems to those facing EC producers, including the difficulties of diversifying production towards alternative crops which can be produced competitively. Again, without the protected market provided by the banana regime, it is unlikely that much ACP production would be able to survive.

Finally, the regime has to ensure that the market (i.e. the consumer) is adequately supplied with bananas of good quality. The majority of demand for bananas is satisfied by bananas from Latin America, so-called "dollar" bananas, although in individual Member States supply still tends to reflect historical trading patterns and consumer preference.

ii) Functioning of the regime

The basic regime is set out in Council Regulation (EEC) No 404/93, which has separate titles to cover quality standards, producers organizations, aid to EC producers and trade with third countries. These four titles are put into effect by Commission regulations adopted through management committee procedure.

The quality standards for bananas seek to ensure a minimum quality for fresh bananas marketed within the Community (Regulation 2257/94). Due to the perishable nature of ripened (yellow) bananas, the standards apply to unripened fruit at the green stage, which is in accordance with normal commercial practice. All bananas marketed in the Community have to comply with the quality standards, which in effect act as a criterion for the granting of aid for Community production.

Community banana producers are encouraged to form producers' organizations (Regulation 919/94). By grouping together, producers are better able to improve both the marketing and quality of their bananas. The organizations also act as a conduit for the payment of aid.

Aid is paid to Community producers (in Spain, France, Portugal and Greece) in order to compensate them for the loss of income resulting from the creation of the single market and the removal of the specific protection of their former national regimes (Regulation 1858/93). The aid per tonne is calculated on an annual basis by comparing the average price realized for EC production compared with a flat rate reference income. The difference is paid as aid. Producers can claim advances on the aid at two-monthly intervals, subject to the lodging of a security.

The provisions of the regime on trade with third countries are put into effect by Regulation 1442/93 and Regulation 478/95. Trade with third countries is managed on a quarterly basis through a system of import licences for traditional ACP bananas and for third country and non-traditional ACP bananas. Traditional ACP bananas are those from ACP States up to the traditional annual quantities in the annex to the basic Council regulation. Imports of third country and non-traditional ACP bananas enter under the tariff quota for bananas. The tariff quota was originally set at 2.0 million tonnes with an in-quota tariff rate of 100 green ECU/tonne, but this was increased to 2.2 million tonnes as a result of the conclusion of the GATT Uruguay Round of trade negotiations. Following the accession of Austria, Finland and Sweden to the Community, it will be increased further to take account of consumption in these new member states. Pending the decision of the Council to increase the tariff quota, the Commission has adopted transitional measures for 1995 to ensure the supply of bananas to the new Member States.

Rights to import under the tariff quota (an annual quota) are allocated on the basis of past trade in third country and non-traditional bananas (66.5% of the tariff quota - Category A), on the basis of past trade in EC and traditional ACP bananas (30% of the tariff quota - Category B) and to newcomers to trade in third country and non-traditional ACP bananas (3.5% of the tariff quota - Category C). Allocation of licences to operators as part of Categories A and B are determined on the basis of the quantities of bananas marketed weighted according to the three marketing activities of primary import (57%), secondary import (15%) and ripening (28%). There is, however, a proposal before the Council which would allow this system of allocation of import licences to be greatly simplified.

Apart from the increase to the tariff quota, the results of the Uruguay Round, through the Framework Agreement on Bananas (FA), brought about certain changes to the management of the tariff quota. The tariff quota itself has been divided amongst the various supplying origins, with each of the four Latin American signatories to the FA being allocated a specific percentage or country quota. These countries may transfer their quotas amongst each other in the event of forecast shortfalls of supply or in the event of force majeure. These four countries may also choose to issue special export certificates for up to 70% of their respective country quotas, which then become a prerequisite for the issue of licences to import from that country to Category A and Category C operators. The in-quota tariff rate has also been reduced to 75 commercial ECU/tonne. Finally, the FA limited non-traditional ACP imports under the tariff quota to 90 000 tonnes.

2. Impact of the regime

i) Production, exports and imports

World production of bananas has been increasing for a number of years, rising from 40.2 million tonnes in 1983 to 49.6 million tonnes in 1992 (an increase of 23.5% or 2.6% per year). The latest available forecasts for 1994 production (final figures are not yet available) are 52.6 million tonnes. It is not surprising then, that even with increasing consumption, particularly in non-producing countries, that the real price of bananas on the world market has been falling steadily, recording a drop of 24% over the period 1980 to 1994, which represents 1.7% per annum (source: World Bank). Thus there is a global surplus of bananas, and production trends appear to be continuing upwards.

A high proportion of bananas are consumed in the country of production, and only approximately 20% of bananas are exported. The countries with the highest production in 1992 were India (7 million tonnes), Brazil (5.7 million tonnes), the Philippines (3.9 million tonnes) and Ecuador (3.6 million tonnes). However the major exporting countries were Ecuador (2.5 million tonnes, representing 70% of its production), Costa Rica (1.7 million tonnes and 87% of production), Colombia (1.4 million tonnes, 71% of production), the Philippines (0.8 million tonnes, 21% of production), Honduras (0.8 million tonnes, 72% of production) and Panama (0.7 million tonnes, 66% of production).

In addition to the consumption of bananas produced within its Member States, the EU imports bananas from Latin America, and a number of ACP countries, notably in the Caribbean, Cameroon and the Ivory Coast. The EU imports between 35 and 40% of all bananas traded internationally, when fruit brought in from ultra-peripheral regions of the EU such as the DOM and the Canaries is included, and is the principal market outlet for ACP producers, some of whom are heavily dependent on banana exports.(Annexes 1 to 3 : Supply to the EC-12)

From the relatively constant figure of approximately 1.3 million tonnes per year during the period 1976 to 1987, imports of bananas to the EU from "dollar" countries, i.e. Latin America, have risen sharply to a total of 2.1 million tonnes in 1994. There were especially big increases in 1991 and 1992, because large operators anticipated the introduction of a single market for bananas and increased their shipments to the EU, even though this resulted in considerable price drops, in an attempt to increase market share and future rights to import under the banana regime. The strategic nature of these increased supplies is demonstrated by the financial results of some of the multinational companies involved, who recorded losses on their European banana operations during this period. Since the introduction of the regime in July 1993, imports from these sources have entered within the tariff quota (Annexes 4 and 5).

It is particularly relevant to consider production trends within the EU and ACP countries, since market access for these bananas is not controlled through the tariff quota. The aggregate ceiling for importations from ACP countries has not been reached since the introduction of the regime, although certain individual countries have exported their maximum quantities.

Production within the EU and the Caribbean fluctuates quite markedly from year to year, due to variations in weather conditions, which have most effect on production zones furthest from the equator. Especially serious events such as tropical storm Debbie in September 1994 can cause major damage to banana plantations, resulting in disruptions in production for approximately nine months.

EU banana production from 1986 to 1994 is shown in Annex 6. Since the introduction of the regime provides for Compensatory Aid payments, up to a certain ceiling on production, to cover the reduction in prices compared to the previous market situation, EU producers are highly insulated from market forces. In addition there are incentives funded through Structural Funds' programmes to improve the structure and conditions of banana production, including harvesting and packaging. It seems likely therefore that EU banana production will increase, both in the area of banana plantations, yield per hectare, and also

the quality of the fruit produced. This hypothesis is also supported by the extremely low levels of response to the scheme for grubbing up bananas which has been introduced as part of the regime. 34 hectares were taken out of production in 1993, and under 10 ha in 1994.

Imports to the EU from ACP countries have increased considerably from approximately 350,000 tonnes per year in the 1970s to 723,000 tonnes in 1994, in line with the general increase in consumption within the EU (due both to successive enlargements and an increase in consumption per head).

Production within individual ACP countries has developed at different rates, for example imports in 1985 jumped to 413,000 tonnes, largely as a result of increased quantities from the Ivory Coast, Somalia and the Windward Islands. By 1988 quantities from Belize were two and a half times the level they had been up to 1985, and in 1990 Cameroon and Jamaica recorded large increases. The Windwards have generally increased their volume of imports although there were some fluctuations such as the sharp drop in 1994 caused by tropical storm Debbie.

Apart from temporary fluctuations caused by adverse weather conditions, shifts in imports from individual countries can largely be explained by increases in the area of banana plantations, or improvements in productivity. This is illustrated by the jump of 70,000 tonnes in ACP imports between 1990 and 1992 which was largely accounted for by quantities from the Dominican Republic, Cameroon and the Ivory Coast. In the Dominican Republic this was due to a large scale planting programme, whereas in Africa the increases appear to be principally a result of increases in productivity, and yield per hectare. In the late 1980s, yields in Africa were approximately half those in the Caribbean, but investment and management expertise are enabling them to close the gap to some extent. It is anticipated that this trend will continue.

The banana regime provides for a total of 857,700 tonnes of traditional ACP imports, divided between those countries which have historically exported bananas to the EU, and an additional 90,000 tonnes of 'non-traditional' imports, agreed as part of the Framework Agreement, making a total of almost 947,000 tonnes. In 1993, total imports from ACP countries were 748,106 tonnes, or 21% less than the maximum currently provided for. In 1994, imports were slightly lower because of the devastating effects of tropical storm Debbie particularly in the Windward Islands. The shortfall between actual imports and the ceiling is not evenly spread between countries as shown in annex 7 (imports of traditional ACP bananas), nor do they all have equal potential for growth towards their maximum quantities.

It is anticipated that the growth in productivity due to improved investment and management, and also the recent involvement of multinational companies as a result of the introduction of the regime will result in Cameroon and the Ivory Coast fulfilling their maximum quotas. The Dominican Republic already has more production capacity than the 55,000 tonnes of imports provided for, so no shortfall is expected from this source. Major investments have been undertaken in other ACP countries, and in some only a small increase on previous export levels would be required to reach the quota level. The proposal included in the current Council negotiations to permit imports from replacement sources in cases of force majeure will mitigate the impact of tropical storm damage in future.

The ACP country with the most severe problems is Somalia, and it is difficult to make any precise predictions about the future situation, since both production and export are so heavily dependent on the political circumstances. A number of communications have been received from different groups within Somalia emphasising their commitment and desire to increase banana exports to the EU, and quoting potential exports for 1995 as 30,000 tonnes, or half their allocation, but for the first quarter of 1995 only 6,644 tonnes were imported from Somalia. Import certificates have been requested for an additional 16,500 tonnes for the second and third quarters, but even if these are fully used (in the first quarter only 40% were used) imports for the first 9 months of the year will only be 23,000 tonnes. It therefore seems unlikely that imports for 1995 from Somalia will reach 30,000 tonnes in total.

The overall aggregate outlook for ACP supplies to the EU is that they will continue to increase from the current levels of around 750,000 tonnes, with some countries, such as Cameroon, the Ivory Coast and the Dominican Republic immediately reaching their maximum exports, and others, notably in the Caribbean taking somewhat longer to build up supplies. If the proposals currently before the Council regarding transferability of allocations between ACP countries are adopted, then there is every indication that ACP exports will be able to reach their permitted duty-free levels in the short or medium term.

Another noticeable consequence of the regime is that a wider choice of bananas is becoming available throughout the Community. "Dollar" bananas are now commonly sold in all Member States, including those which were previously in effect closed to "dollar" supplies. At the same time, bananas from EU and ACP sources are starting to penetrate markets outside those Member States which granted them preferential treatment, although these bananas are still primarily sold in their traditional markets. This latter observation might in part reflect the strategies of the major multinational companies to become increasingly involved in the marketing of EU and ACP bananas. Since 1993, these companies have

established joint ventures with or taken important stakes in organizations both producing and marketing bananas from the Canary Islands, the French Antilles, Jamaica and Somalia. These new interests are in addition to those established in Cameroon and the Ivory Coast before 1993.

ii) Consumption

Consumption per head of bananas in the EU has increased from approximately 7 kg/head/year in the late 1960s to between 9 and 10 kg/head/year in the early 1990s. There are a number of reasons for this shift. Firstly the changing composition of the EU. Spain and Portugal being producers of bananas have traditionally consumed relatively high quantities, so the addition of these countries increased the EU average. Germany has the highest consumption per head of the EU Member States and the reunification in 1990 increased its population by 16 million additional consumers eager to eat large quantities of bananas. The consumption figures for Austria, Finland and Sweden are also higher than the EU12 average, so when figures for the EU15 are calculated it is expected that a further rise in consumption per head of population will be seen. These changes in the composition of the EU mean that even in the absence of any external factors, or of any change in the behaviour of any individual, the calculated average consumption per head has risen. Increases in average consumption due to accessions are one-off events and not evidence of any long-term trend.

In addition, the real import price (i.e. adjusted for inflation) of bananas in the EU 12 has fallen steadily since 1980, particularly in the early 1990s as the big companies anticipated the creation of the regime and tried to increase market share in order to secure more rights to import under the regime. This oversupply resulted in prices being forced down, in some cases almost to uneconomic levels, particularly in 1991 and 1992, and as a consequence consumption increased markedly.

Another factor which influences the purchase and consumption of bananas is the price and availability of other fruit. This explains the seasonal fall in banana prices which is observed in the summer months when plentiful supplies of strawberries, peaches, nectarines and other fruit are in the shops. Since the late 1980s the real price of other fruit has increased considerably, in contrast to the fall in the real price of bananas. This results in bananas being purchased in preference to other fruit.(Annex 8 : imports compared to the level of prices).

Changing tastes among consumers may also contribute to the change in consumption, and could produce an increase in demand independent of other factors such as price. Marketing initiatives contribute to the perception of bananas as a healthy snack, providing energy and vitamins, and help to create a positive image, which encourages consumption. It has not been possible to identify an underlying trend in the EU market as a whole, but it appears that within certain countries such as the UK the consumption of bananas tended to increase slightly over the decade from 1982 to 1992.

In the absence of increases in productivity, it seems unlikely that real producer prices can fall further and still provide a return on production costs. Major advances in production and technology, for example transport and ripening have occurred in recent years, which have reduced the costs of production, especially in the dollar zone. Additional major advances in these areas seem unlikely in the short or medium term. Thus under the current conditions of the regime, and in the absence of disruptions to the market, the price of bananas relative to other fruit is not expected to fall further, and therefore increases in consumption in the future are expected to be limited to the underlying trend.

iii) Prices

A wide range of price information is available on bananas, although this is often of limited reliability and is therefore best used for looking at trends in prices rather than absolute price levels. Eurostat data can give a picture of CIF prices for green bananas imported into the Community (Annexes 9 to 12). Wholesale prices for yellow bananas are communicated to the Commission on a weekly basis by member states (Annexes 13 to 15). Little reliable retail price information is available, but statistics are published for the German market (Annex 16), where there has been most comment on consumer prices since the banana regime came into force.

From Annex 9, it can be seen that CIF prices for "dollar" bananas rose in 1994 compared to 1992-93, but were in fact similar to prices in 1990-91 before the peak of oversupply to the EC market, which was a result of the strategies of banana marketing companies to maximize their market shares in anticipation of the single market. Conversely, ACP CIF prices did not rise in 1994 compared to previous years (Annex 10), but these prices are still higher than for "dollar" bananas, reflecting higher costs of production, although the gap in prices compared with dollar bananas has narrowed. Prices for Canary Islands' bananas fell sharply in 1994 (Annex 11), a consequence of the opening up of the previously closed Spanish market. Somewhat anomalously, prices for French DOM bananas rose sharply in 1994 (Annex 12), but this would mirror the

recovery in producer prices seen following the period of uncertainty preceding and immediately after the introduction of the regime. The effects of tropical storm Debbie, which struck in September 1994, on production in Martinique and Guadeloupe would have also pushed prices higher.

At the wholesale level, prices during July and August 1995 generally fell to their lowest levels since the start of the regime. Since then, during September, prices have recovered somewhat but are still on the whole lower than during the same period of 1994 and 1993. This sharp fall in wholesale prices has been mirrored by falls in consumer prices: in August, German retail prices were at their lowest level since before the introduction of the regime. At the wholesale level, prices for "dollar" bananas are within a 0.2 ECU/kg band in most Member States. In their principal markets (FR & UK), ACP bananas are at similar price levels to "dollar" bananas, although in contrast, in Spain and Portugal, EC fruit sells at a significant discount to "dollar" bananas.

German retail prices can paint a confusing picture (Annex 16). A crude comparison between 1994 and 1992 would indicate a price rise of 55% spanning the introduction of the regime. But such an analysis ignores certain factors. Before the regime, bananas entered Germany duty free, and the imposition of duty represents about 12% of this rise. Retail price inflation could also account for another 8% of this increase. It should also be noted that 1992 is not necessarily the best reference point for retail price comparisons. As has been noted above, 1992 saw very low prices for bananas in Europe, largely as a result of banana companies marketing strategies, many of whom made low profits or even losses in that year. Comparing 1994 with 1990 gives a rise of only 24%; this increase is only 15% when corrected for the effects of the imposition of duty and would diminish further if retail price inflation were taken into account.

Although data on retail prices in other member states are not readily available, there are clear indications that in the previously protected markets, for example Spain, UK and France, consumer prices have fallen over the period of introduction of the regime. In some instances, prices are reported to be at historically low levels.

Any analysis of price depends on the reliability of the data available, which makes it difficult to draw conclusions about the Community market. However, it is clear from the wholesale price information that we are clearly moving towards a single market for bananas in the Community.

3. Current issues

i) Current proposals to modify Regulation 404/93

The Commission has presented to the Council two proposals to modify the basic Regulation 404/93.

The first one, which was presented initially in December 94, takes account of the accession of Austria, Finland and Sweden and proposes a proportionate increase in the tariff quota of 353 000 tonnes, which represent the average net imports to these countries during the 1991-93 reference period.

The second proposal addresses a key issue of the regime, introducing a major simplification which will base annual import licence allocation on past actual imports instead of the present cumbersome system of marketed quantities weighted by the activities of primary and secondary importer and ripener.

The Commission understands that there is a broad consensus that the simplification of the licence allocation should take place, and that it should take effect as soon as possible. The Commission confirms its willingness to do so, with the proviso that the legal constraints of such a significant modification are duly taken into account. In addition the proposal contains a set of measures to cope with occurrences of force majeure and to extend transferability of unused country allocations to ACP countries (these measures being already in force for the signatories of the Framework Agreement) and the exclusion of fig-bananas from the regime.

In its proposal the Commission did not address the distribution of licences among the different categories of operators (A, B, and C). This distribution is another key element of the regime, and was the result of a difficult political compromise in 1993.

Events since the presentation of these proposals have shown, however, that a significant number of Member States wish to link the approval of the increase in the tariff quota to an adjustment of this distribution. The rationale behind this position is the fact that the 3 new Member States imported bananas only from non-ACP third countries, and that keeping the present 66,5% - 30% - 3,5% distribution would not take this into account, therefore increasing the cross-subsidisation of ACP and EU production.

An opposite position is supported by another significant number of Member States, who fear that reducing the share of B licences at the same time as increasing the tariff quota shortly after the Framework Agreement's reduction of the duty on dollar bananas by nearly 40% would drastically reduce the cross-subsidisation of EU and ACP fruit, therefore jeopardising their trade prospects.

As a result of these divergent positions the Council was unable to approve either of these proposals, which forced the Commission to act on its own initiative to assure an adequate supply of the market for the last quarter of 1995.

ii) Framework Agreement

The first three quarterly periods of application of the Framework Agreement have shown that it is being fully respected by all parties. As a result of its application, many operators have had to adapt their contractual or logistical arrangements.

However, experience has also revealed a certain rigidity in the system arising out of the distribution of the tariff quota to the different countries of origin of the fruit, and also by category of operator for those countries issuing Special Export Certificates.

In addition to this some operators have taken part in speculative and destabilizing manoeuvres which created a number of problems for the other operators, and which went against the stated objective of maintaining stable commercial relationships.

The type of operational problems experienced have been exacerbated by the fact that in the first quarter of 1995 transitional measures were needed, due to the late approval of the GATT agreement in December 1994.

The Commission intends to hold talks with the signatories of the Framework Agreement with a view to overcoming these rigidities, the main aims being to eliminate any unnecessary burden on operators, and to promote the stabilization of trade links.

iii) Decisions of the Hamburg Financial Court

A German tribunal, the Financial Court in Hamburg, has recently taken a series of decisions allowing certain German companies to import bananas outside tariff quota licences, but at a duty of 75 ECU/tonne, the same as the in-quota tariff rate. The quantities involved are not small and are allegedly disrupting the market, particularly in Germany, to the detriment of those importing bananas under the tariff quota. These decisions have been taken as interim measures on the basis that firstly the Community Banana regime is contrary to GATT, and, secondly the Court believes the companies concerned to be at risk of bankruptcy if they are not permitted to import without licences and to let them go bankrupt could be contrary to the right to property set out in the German Constitution. The decisions are provisional, pending the response to certain questions on the direct applicability of GATT rules and the consequences in Germany which have been addressed at the same time by the Financial Court to the European Court of Justice. The German administration has appealed against these decisions. The Federal Court in a decision of 22.8.1995 annulled the Hamburg decision on the procedural grounds that no tribunal is allowed, as long as the Community Banana regime is in force, to hinder a national authority from applying the duties provided for by this regime.

iv) Non-traditional ACP suppliers

Before the entry into force of the banana regime, all ACP states had duty- and quota-free access to the the Community market. Regulation 404/93 limited the duty-free treatment on the one hand to the traditional quantities and on the other hand to non-traditional imports within the tariff quota of 2 million tonnes. Subsequently, as has been mentioned earlier in this report, the Framework Agreement (FA) limited non-traditional ACP imports under the tariff quota to 90 000 tonnes. In turn, fixed quantities within these 90 000 tonnes have been allocated to the Dominican Republic (55 000), Belize (15 000), Cameroon and Ivory Coast (7 500 each) with the remaining 5 000 tonnes available for other unspecified ACP states, for example Ghana, which have no history of supplying bananas to the Community. This allocation was a delicate compromise given the competing claims from the ACP which exceeded the 90 000 tonnes available.

There have since been a number of calls for changes to the system so that non-traditional ACP bananas can be imported up to these limits without the use of tariff quota import licences. These calls are based on the argument that tariff quota licences are expensive, which in turn means that it is difficult for non-traditional ACP bananas to compete with "dollar" bananas and that this situation

might threaten the viability of such exports. Some operators have even said that they might not continue to import non-traditional ACP bananas. However, the regime has always made a distinction between on the one hand, traditional ACP supplies for which there are traditional quantities and on the other hand, the tariff quota for third country bananas and non-traditional ACP bananas. The FA has not changed the position of non-traditional ACP bananas in that tariff quota licences are still required to effect these imports. There is no reason for holders of tariff quota import licences to stop importing non-traditional ACP fruit as they have been doing since the start of the regime. These imports still enjoy the tariff preference, entering at a duty rate of zero. Nevertheless, it is recognised that even with the tariff preference, non-traditional ACP bananas are still at a competitive disadvantage compared with "dollar" bananas.

v) Organic and "fair trade" bananas

The regime has come under criticism recently for the barriers it presents to new initiatives on bananas, in particular the difficulties it poses for new entrants to the market wishing to sell either organic or so-called "fair trade" bananas. Organic bananas are those produced without the use of chemicals whilst "fair trade" bananas are those produced in an "environmentally friendly" fashion, with reduced chemical input where the plantation workers benefit from reasonable wage levels and good social, labour and welfare conditions. It should be noted that in other sectors, for example coffee or fruit and vegetables, such products have found their way onto the market and have created particular niches for themselves, despite commanding higher retail prices. For organic produce in general, standards exist and there are agreements which allow for the mutual recognition of these standards between the Community and third countries.

For bananas, the value of the import licence is already reflected in the retail price, which means that new initiatives should be possible given that import licence holders can and do transfer their licences. In any case, 3.5% of the tariff quota is allocated to newcomers, although it is true that individual licence allocations are small. Beyond the scope of the newcomer provisions, there is always the possibility of new marketing initiatives either by or in partnership with existing banana operators.

Although the aims of those who espouse the cause of "organic" or "fair trade" products are laudable, there is deep suspicion amongst developing countries about moves which would link trade or trade preferences to social, labour or environmental standards imposed by the industrialized world, as this could constitute a new form of protectionism. However, not all linkages between trade

and social clauses are forms of protectionism, for example the incentive clause adopted by the EU in the framework of the GSP. The Commission is prepared to examine what scope there is for supporting such initiatives, with the likely emphasis on market mechanisms rather than institutional provision.

vi) Somalia

Much comment has been made about the situation in Somalia and how that has affected its banana industry. At the time that the banana regime was adopted, the banana exporting industry in Somalia had collapsed. However, Somalia, which had previously supplied the Italian market before the outbreak of the civil war, was allocated a traditional quantity of 60 000 tonnes. Since the last quarter of 1994, imports of bananas from Somalia have recommenced. The partnership arrangements of the regime, whereby 30% of the tariff quota is linked to past trade in EC and traditional ACP bananas, have encouraged certain EC operators either to re-establish their old trading links with Somalia or to set up new ones. This has occurred in spite of the extremely difficult conditions still to be faced in Somalia. However, the lack of a recognised government may hamper further recovery of production and require the adoption of ad hoc administrative provisions with a view to assisting exports despite the lack of a normal institutional framework.

vii) Newcomers

Although 3.5% of the tariff quota is allocated to newcomers, this is always heavily over-subscribed. For 1994, the allocation per newcomer was around 25 tonnes. This situation was clearly unsatisfactory and it was evident that a large proportion of applications came from those with little interest in marketing bananas. For 1995, certain criteria were imposed on newcomers with a view to reducing the number of applications. This was in part successful, although the volume of licence per newcomer for 1995 was still less than 50 tonnes. It will always be difficult to screen applications from "genuine" as opposed to "opportunistic" newcomers. In any case, the decision whether or not to start marketing bananas on a significant scale will in part depend on the volume of licences received.

Over-subscription of quotas is not a phenomenon unique to bananas. Applications for the recent Uruguay Round minimum access quotas for dairy products greatly exceeded the quantities available: for example, individual requests to import cheddar cheese were cut back to about 1% of the quantity applied for.

viii) Hardship

A potential form of "hardship" has become apparent, for which there are no specific provisions in the regime. This would concern operators whose reference quantities upon which their licence allocations are based are very low for reasons of hardship. It should be mentioned in this context that hardship clauses have been provided for in numerous agricultural texts which limit the right to produce to the quantities produced in a reference period (milk quotas, ewe and suckler cow premium, tobacco).

ix) GATT-WTO & US 301 action

The EC banana regime has already been the subject of a GATT dispute settlement procedure. A GATT panel, initiated by Colombia, Costa Rica, Guatemala, Nicaragua and Venezuela, ruled in January 1994 that Regulation 404/93 ran counter to certain GATT rules. However the GATT Council failed to reach the consensus needed for the adoption of the panel report. The Framework Agreement resolved the dispute with Colombia, Costa Rica, Nicaragua and Venezuela.

In December 1994, the GATT Council agreed to a waiver to Article I.1 of the GATT "to the extent necessary to permit the EC to provide preferential treatment for products originating in ACP countries as required under the provisions of the Fourth Lomé Convention".

In October 1994, the US Trade Representative (USTR) opened an investigation into the EC banana regime in response to a petition filed under section 301 of the Trade Act. Section 301 allows the USTR to take action (including unilateral measures) against policies of foreign countries that harm US commerce. In January 1995, the USTR issued a preliminary decision finding that the EC banana regime was adversely affecting US economic interests. In August 1995, the USTR indicated that he would pursue the matter in the WTO with a view to resolving the dispute.

x) Windward Islands

The four Windward Islands of Dominica, St Lucia, St Vincent and Grenada have always marketed their bananas jointly? However, the regime grants each an individual traditional quantity, which has caused certain logistical problems for the islands in scheduling their collective exports to the Community. The Commission is prepared to examine the scope for responding to the Windward Islands' request for joint import licensing, whilst at the same time maintaining their individual traditional quantities.

4. Conclusions

The Commission's evaluation of the present situation of the banana regime in the light of the experience of the first two years of its application, and particularly the problems raised by the adjustment required following the accession of Austria, Finland and Sweden, leads to the conclusion that a number of additional modifications to the regime are appropriate.

The aim of these additional modifications would be to overcome present problems and to create a sustainable equilibrium between the different interests, whilst maintaining the principal objectives of the regime as stated at the beginning of this report.

This goal has proved to be difficult to achieve in the past.

Notwithstanding these difficulties the Commission believes that it is in the best interests of all parties to reach a situation that promotes predictable expectations and a stable trading environment for the different producers and operators, be they in the EU, in the ACP countries or in Latin-America.

The Commission also believes that the time is right to broker an agreement that will be acceptable to all parties concerned.

In its proposals to the Council, the Commission has limited itself to the necessary technical amendments to the regime. However, in the light of the discussions in the Council the Commission is willing to consider an agreement which could include the following elements in addition to those included in the proposals before the Council:

1. The distribution of the licences between Category A and B operators would be revised so as to obtain new percentage shares for A and B licences that would maintain the absolute quantity of B licences at a similar level to that prior to the accession of the 3 new Member States.

Such a new equilibrium point would maintain the present level of cross-subsidisation, duly taking account of the fact that the new EU 15 has a different historic pattern of banana imports than the old EU 12.

2. Particular care should be taken regarding any further increase in the tariff quota, since together with the possibilities for increasing production in the EU and ACP countries within the ceilings set out in Regulation 404/93, there would be a risk of creating a situation of oversupply of the EU market, taking in account the increase of the tariff quota since the 1st of January 1995. It is worth noting in this respect that the world banana market is already depressed due to massive oversupply.

This, in turn, would have a downward impact on prices and hence several negative, non-intended, consequences: (i) increase in the compensatory aid for EU producers, paid out of the EU budget; (ii) a decrease in the level of cross-subsidisation of ACP fruit, as the gap between the EU and world prices diminishes, which would be additional to the drop in market price; (iii) a squeeze on margins of the different operators in the marketing chain, irrespective of the origin of the fruit.

3. Specific provisions should be made to deal with hardship cases. These should provide an adequate framework to cope with a number of particular situations, linked to genuine difficulties experienced by some operators, which were beyond their control, in marketing bananas during at least part of the relevant reference period which was used to calculate licence allocations.

A possible solution would be to have a provision that would include both a definition of hardship, and a formula to determine when hardship may be claimed. An operator could therefore qualify if the situation fell into the hardship definition and if his trade during the reference period had dropped to less than a certain percentage of his past trade.

The compensation to be provided would then be based on the period including that prior to the standard reference period.

The Commission believes such criteria could provide a fair and legal solution for operators who have experienced genuine hardship for reasons beyond their control.

4. Specific provisions should also be taken to accommodate the situation of newcomers (Category C). At present there is no specific mechanism for those that started marketing bananas from 1992 to transfer to Category A.

Therefore it seems appropriate to examine a set of provisions that would enable newcomers to pass to Category A under certain conditions.

5. Non-traditional ACP production is currently faced with a situation of relative economic disadvantage as compared to the more competitive Latin-American production, which is certainly not overcome by the concession of zero tariff duty.

A possible solution would be to allow imports of non-traditional quantities under the same licence requirements as for ACP traditional production. However, non-traditional quantities should not benefit from the same licence generating rights as traditional quantities, thus recognising the privileged status of the latter under the Lomé convention.

The measure would not only provide assistance to the Dominican Republic and Belize producers, but also help new producers such as Ghana to increase their exports.

6. The present situation in Somalia - lack of a recognized Government - also deserves particular attention, given that it may prevent its producers from benefitting fully from the Community regime, including the proposed modifications to Regulation 404/93.

The Commission believes that specific solutions should be adopted in order to enable all Somalian producers to benefit from the trade provisions, including in particular the force majeure and transferability measures, and the special assistance programme. This is all the more significant as bananas are the most important of this country's few exports, and therefore the revenue could help improve its difficult economic, social and political situation.

ANNEX 1

SUPPLY TO THE EC-12

(Quantities in tonnes)

24.10.95

COM.NOV. SR#4 FRESH BANANAS
NC EX 05020010 (>1993) / NC EX 09030019 (>1994)

ORIGIN	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
EU																			
Greece	755.237	746.915	858.679	731.539	687.465	856.772	845.837	815.240	826.167	757.575	884.642	865.273	829.609	808.815	829.292	780.593	794.784	743.334	645.174
Spain	1.300	1.720	3.235	3.330	3.240	1.790	2.840	2.190	4.311	6.790	11.640	14.500	20.480	20.688	17.810	18.354	8.084	7.233	3.071
France	337.100	293.400	401.200	409.000	475.200	487.400	455.200	455.000	439.200	402.400	470.800	449.200	395.000	398.500	416.300	373.300	388.100	358.000	321.500
Martinique	254.856	288.625	300.472	182.304	93.242	189.322	190.297	178.470	179.308	179.250	212.899	208.056	219.253	238.128	245.980	217.564	227.937	210.637	169.603
Guadeloupe	149.249	139.857	188.008	113.978	82.275	149.000	165.000	140.150	181.100	125.855	143.085	145.599	149.254	109.028	100.633	131.520	147.396	132.494	122.000
Portugal	23.702	25.514	25.768	22.929	33.508	32.260	33.500	41.430	42.250	43.250	46.428	49.918	45.622	45.477	45.569	39.845	43.287	35.000	29.000
ACP																			
Belize	351.245	354.186	340.001	352.444	348.207	324.799	339.243	335.975	335.997	413.484	445.092	458.695	514.059	544.439	621.863	602.776	629.713	748.106	722.548
Cameroon	5.249	5.594	10.219	14.627	13.881	10.810	9.203	9.783	10.052	9.362	12.184	19.445	25.840	28.580	24.040	19.618	28.493	38.517	46.880
Cape Verde	79.249	79.596	77.356	78.120	57.451	53.925	48.906	45.779	54.157	54.705	52.718	48.749	35.837	56.071	77.828	115.841	110.714	148.901	154.034
Dominica	0	0	0	0	0	0	0	0	1.440	1.082	1.730	2.065	2.734	2.715	3.011	1.876	683	683	73
Dominican R.	0	0	0	0	7.333	25.144	26.438	27.373	30.359	33.213	48.848	62.817	70.332	51.314	52.418	54.961	55.687	52.698	42.668
Grenada	10.229	0	37	0	15	4	7	25	0	68	19	38	344	855	3.829	10.298	38.491	61.662	89.005
Haiti	14.007	14.017	13.922	13.178	11.430	12.224	9.294	9.473	8.365	8.154	7.914	8.383	8.803	8.268	8.189	8.188	6.014	6.720	5.325
Ivory Coast	0	19	0	0	3	0	0	0	0	21	3	0	0	1	20	0	20	0	0
Jamaica	87.876	93.544	104.493	103.853	108.474	98.213	89.640	71.184	84.528	103.022	83.063	78.038	74.523	85.159	95.159	116.425	148.265	161.257	148.850
Kenya	74.394	79.657	83.787	67.065	34.837	13.847	29.908	23.814	11.615	12.925	21.962	34.508	31.937	39.219	63.181	70.116	74.825	77.390	78.294
Madagascar	2	2	8	29	31	82	231	38	81	57	120	239	164	132	77	1.418	122	1.989	51
Malawi	5.888	4.607	4.939	4.325	2.897	1.053	249	577	94	15	14	297	45	68	0	10	19	19	0
Mozambique	39.149	48.379	32.953	44.770	28.658	12.328	28.929	34.415	11.092	33.117	29.894	49.876	51.921	59.388	57.785	8.177	181	501	4.634
Si Lucia	0	0	0	0	31.152	29.695	41.282	47.504	62.083	81.040	110.774	84.534	118.997	118.285	127.225	102.651	123.572	113.302	91.541
St Vincent	0	0	0	0	20.284	27.995	27.500	30.914	30.723	40.948	39.492	38.233	61.824	67.596	81.538	63.083	72.950	57.608	32.053
Surinam	35.114	27.570	28.291	28.460	33.659	31.094	30.580	34.019	31.333	35.587	36.073	33.969	32.918	29.945	27.705	27.744	29.849	27.985	32.721
Other	184	1	28	18	12	405	78	1.077	75	190	188	385	509	805	377	1.289	544	874	1.087
DOLLAR ZONE																			
Bolivia	1.239.624	1.278.420	1.307.239	1.375.904	1.338.805	1.203.616	1.211.932	1.122.214	1.205.448	1.255.027	1.260.059	1.368.332	1.644.275	1.718.932	2.024.253	2.389.713	2.412.897	2.153.283	1.963.883
Colombia	0	0	0	6	0	0	0	0	0	0	0	0	0	17	0	0	0	2	0
Costa Rica	189.523	184.041	209.122	197.830	312.858	251.408	258.328	257.981	318.415	291.745	252.180	282.958	343.528	331.305	401.899	512.347	518.627	417.908	459.353
Cuba	173.074	251.443	283.870	373.822	299.602	285.162	238.763	233.551	249.482	188.874	234.348	254.781	341.279	449.118	549.519	569.373	482.510	480.327	605.798
Ecuador	8	25	38	1	28	34	21	17	0	55	162	300	18	19	73	40	0	0	0
El Salvador	298.933	302.065	272.851	251.803	245.185	188.034	201.877	172.993	171.595	265.641	267.138	234.570	319.014	273.899	352.145	600.786	677.061	605.109	548.370
USA	21	0	20	0	0	34	6	0	0	0	0	10	0	8	0	86	0	0	282
Honduras	513	600	687	315	1.406	251	879	580	387	313	225	292	3.279	282	3.678	1.965	761	1.914	897
Guatemala	87.567	153.176	119.187	179.782	185.970	125.110	150.729	104.853	132.690	206.071	172.087	215.835	183.968	148.845	123.488	138.396	197.784	193.528	28.891
Nicaragua	25.889	31.418	30.324	39.925	54.200	43.378	59.110	38.518	40.195	44.079	28.128	59.958	34.634	61.827	9.370	13.188	37.408	26.945	19.907
Mexico	17	18	0	0	0	70	0	219	348	29.936	42.710	47.703	34.725	29.037	47.800	65.238	26.532	9.620	8
Panama	3	252	0	0	0	0	51	30	10	191	49	2	1	19	41	39	9.989	112	58
Philippines	309.191	243.444	258.607	231.094	232.188	293.441	289.150	309.896	279.079	255.942	255.514	268.995	339.827	400.497	527.483	484.574	478.710	413.123	298.476
Venezuela	0	6.029	3.283	778	13.859	5.938	2.594	3.462	12.013	501	3.190	510	38.884	19.873	5.024	155	0	1.858	0
Other	49	18	25	0	0	0	0	0	18	0	89	81	203	179	50	41	45	148	1.083
Other	155.058	105.893	128.485	100.850	15.732	12.758	10.404	254	1.218	1.878	4.289	2.357	2.135	1.923	4.885	3.497	3.470	2.673	2.780
NON. DETERM.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	68.344	118.738
TOTAL	2.353.158	2.379.522	2.545.919	2.459.887	2.374.478	2.385.187	2.398.012	2.273.429	2.367.612	2.426.086	2.589.803	2.680.300	2.987.943	3.070.186	3.472.408	3.773.082	3.697.394	3.713.047	3.450.341

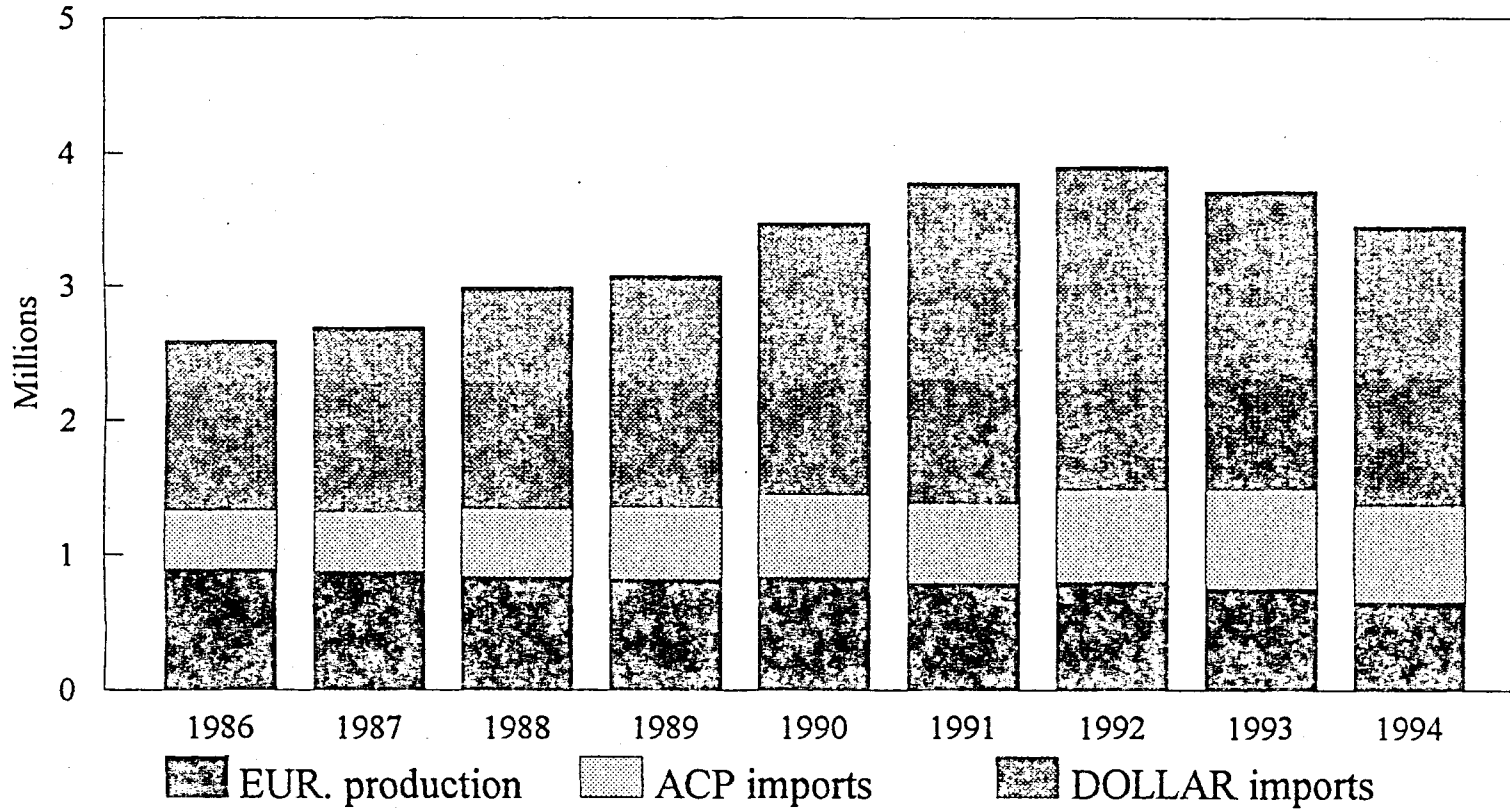
Note: Greece: provisional figures for 1993

Source: Eurostat (Comext) - Agroatat (FAO) - Member States
D/AG/FLO/APPRO

G: BANANAS/BI7693E.WK3

Bananas : supply to Eur-12

Tonnes



Source : EUROSTAT (comext) and Member States

ANNEX 3

IMPORTANCE OF TRADE WITH EC

A : exports to E.U. as % of total exports.

B: % share of imports (production for EC) in the EC supply.

	1994		1993		1992		1990		1988		1986	
	A	B	A	B	A	B	A	B	A	B	A	B
DOLLAR ZONE												
Colombia		13,3%	26,4%	11,3%	36,6%	13,3%	41,0%	12,0%	34,0%	11,0%	29,0%	10,0%
Costa Rica		17,6%	26,4%	12,9%	26,6%	11,9%	41,0%	16,0%	26,0%	10,0%	26,0%	9,0%
Guatemala		0,6%	6,1%	0,7%	8,5%	1,0%	3,0%	0,0%	6,0%	1,0%	9,0%	1,0%
Honduras		0,8%	28,9%	5,2%	26,1%	5,1%	14,0%	4,0%	21,0%	7,0%	21,0%	7,0%
Panama		8,7%	60,0%	11,1%	66,5%	12,3%	71,0%	15,0%	48,0%	12,0%	43,0%	10,0%
Ecuador		15,9%	25,3%	16,3%	24,7%	17,4%	16,0%	10,0%	19,0%	10,0%	19,0%	11,0%
ACP												
Cameroon		4,5%	97,9%	4,0%	98,8%	2,8%	94,0%	2,0%	97,0%	1,0%	99,0%	2,0%
Ivory Coast		4,3%	99,5%	4,3%	95,6%	3,8%	97,0%	3,0%	97,0%	3,0%	97,0%	3,0%
Jamaica		2,2%	100,0%	2,1%	97,5%	1,9%	100,0%	2,0%	100,0%	1,0%	100,0%	2,0%
Surinam		0,9%	99,9%	0,8%	99,8%	0,8%	0,0%	1,0%	100,0%	1,0%	100,0%	1,0%
EU												
France:												
Martinique		4,9%	100,0%	5,7%	100,0%	5,8%	100,0%	6,0%	95,0%	6,0%	97,0%	6,0%
Guadeloupe		3,5%	100,0%	3,6%	100,0%	3,8%	75,0%	2,0%	96,0%	4,0%	100,0%	2,0%
Spain		9,3%	-	9,6%	-	9,4%	96,0%	11,0%	90,0%	13,0%	100,0%	11,0%
Portugal		0,8%	-	0,9%	-	1,1%	100,0%	1,0%	100,0%	1,0%	100,0%	1,0%
Greece		0,1%	-	0,2%	-	0,2%	-	-	-	-	-	-

Source: Eurostat (Comext) - Agrostat (FAO)
D/AG/FLO/PART

ANNEX 4

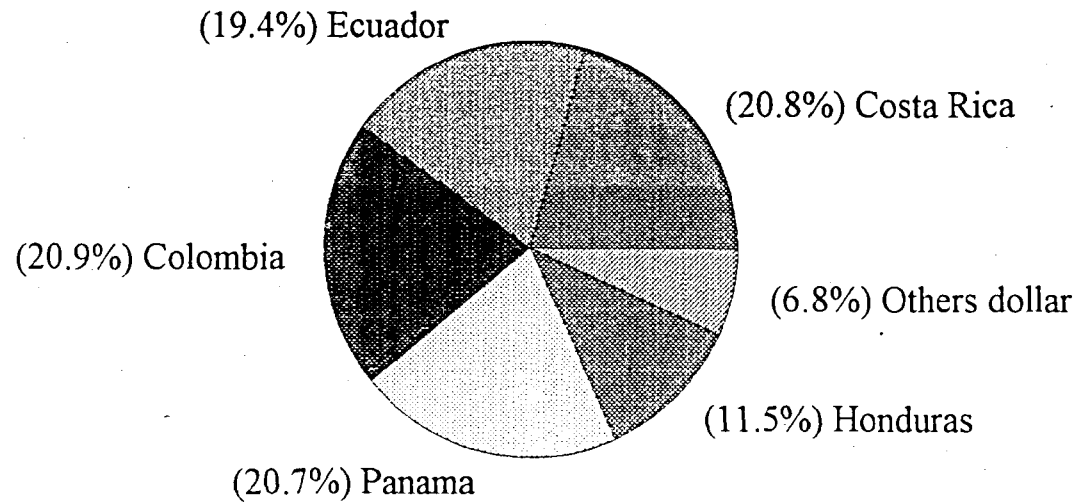
DOLLAR ZONE IMPORTS
1988
tonnes

Costa Rica	341279
Ecuador	319014
Colombia	343528
Panama	339827
Honduras	188968
Others dollar	111659
TOTAL	1644275

Philippines	36664
Nicaragua	34725
Guatemala	34634
USA	3279
Venezuela	203
Bermuda	117
Brazil	26
Bahamas	19
Cuba	18
Others	1974
Others dollar	111659

Imports of \$ bananas into Eur 12 - 1988

Major suppliers from the dollar zone



ANNEX 5

Dollar ZONE IMPORTS

1994

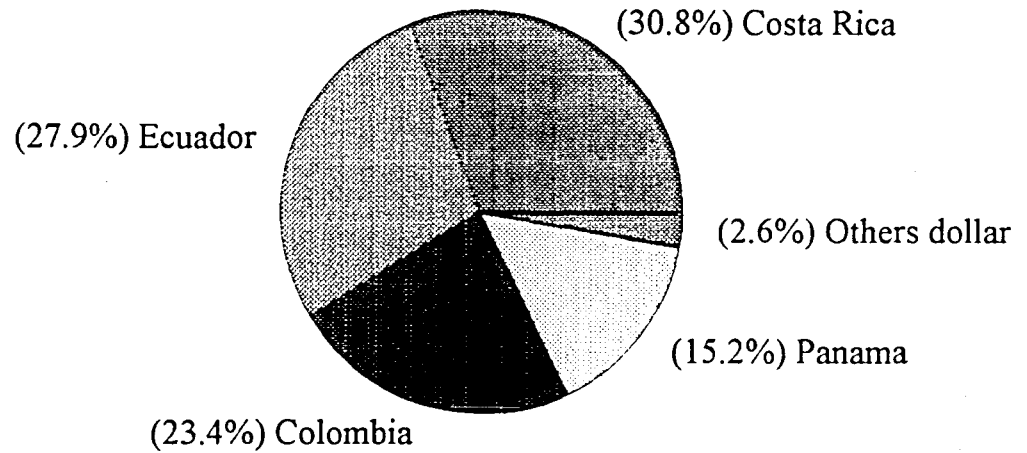
tonnes

Costa Rica	605798
Ecuador	548370
Colombia	459353
Panama	298476
Others dollar	51886
TOTAL	1963883

Honduras	26891
Guatemala	19907
Venezuela	1083
USA	897
Bahamas	334
El Salvador	282
Brazil	236
Mexico	58
Bermuda	24
Peru	20
Nicaragua	8
Bolivia	7
Others	2139
Others dollar	51886

Imports of \$ bananas into Eur-12 1994

Major suppliers from the dollar zone

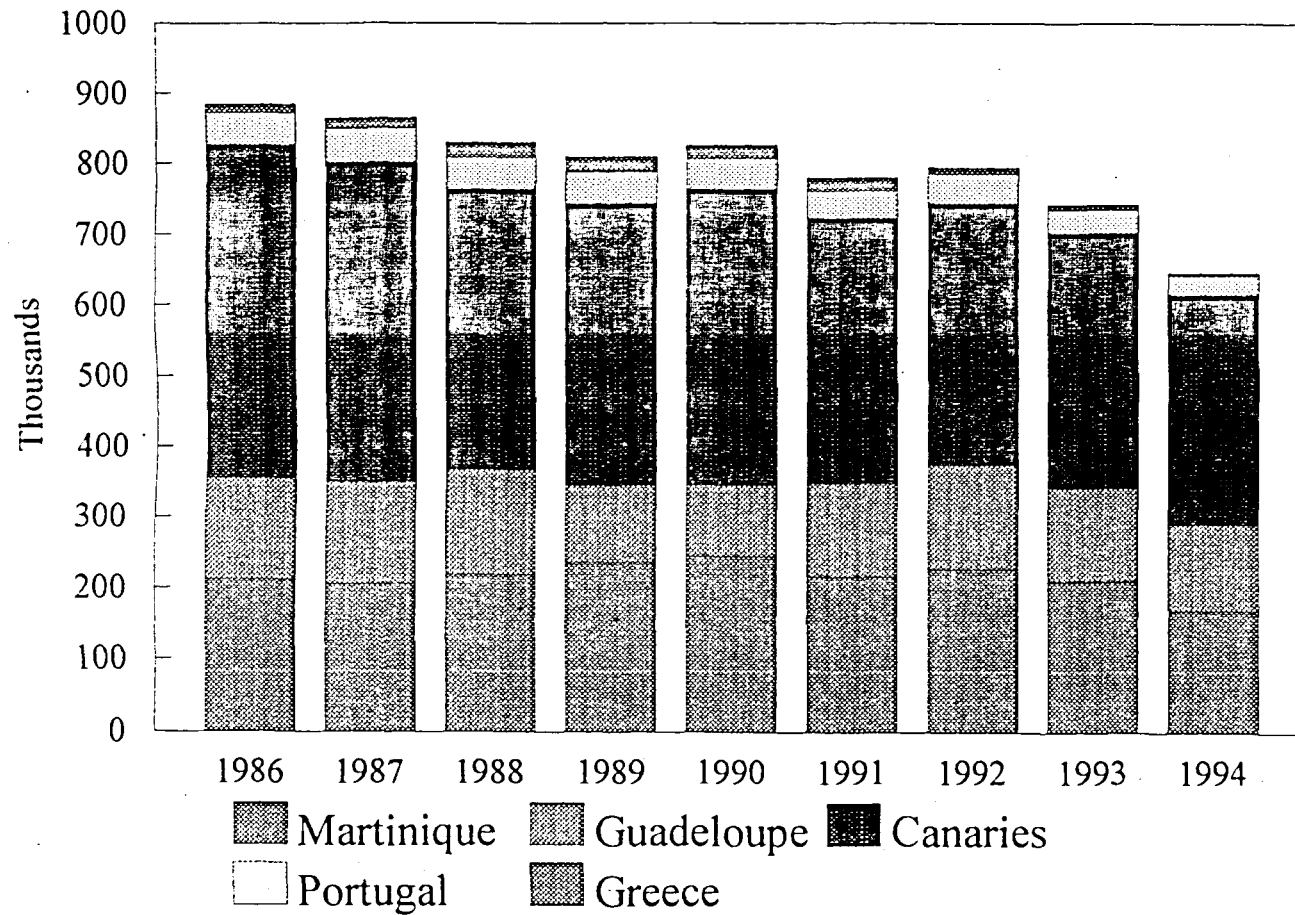


24

ANNEX 6

Production of bananas in Europe

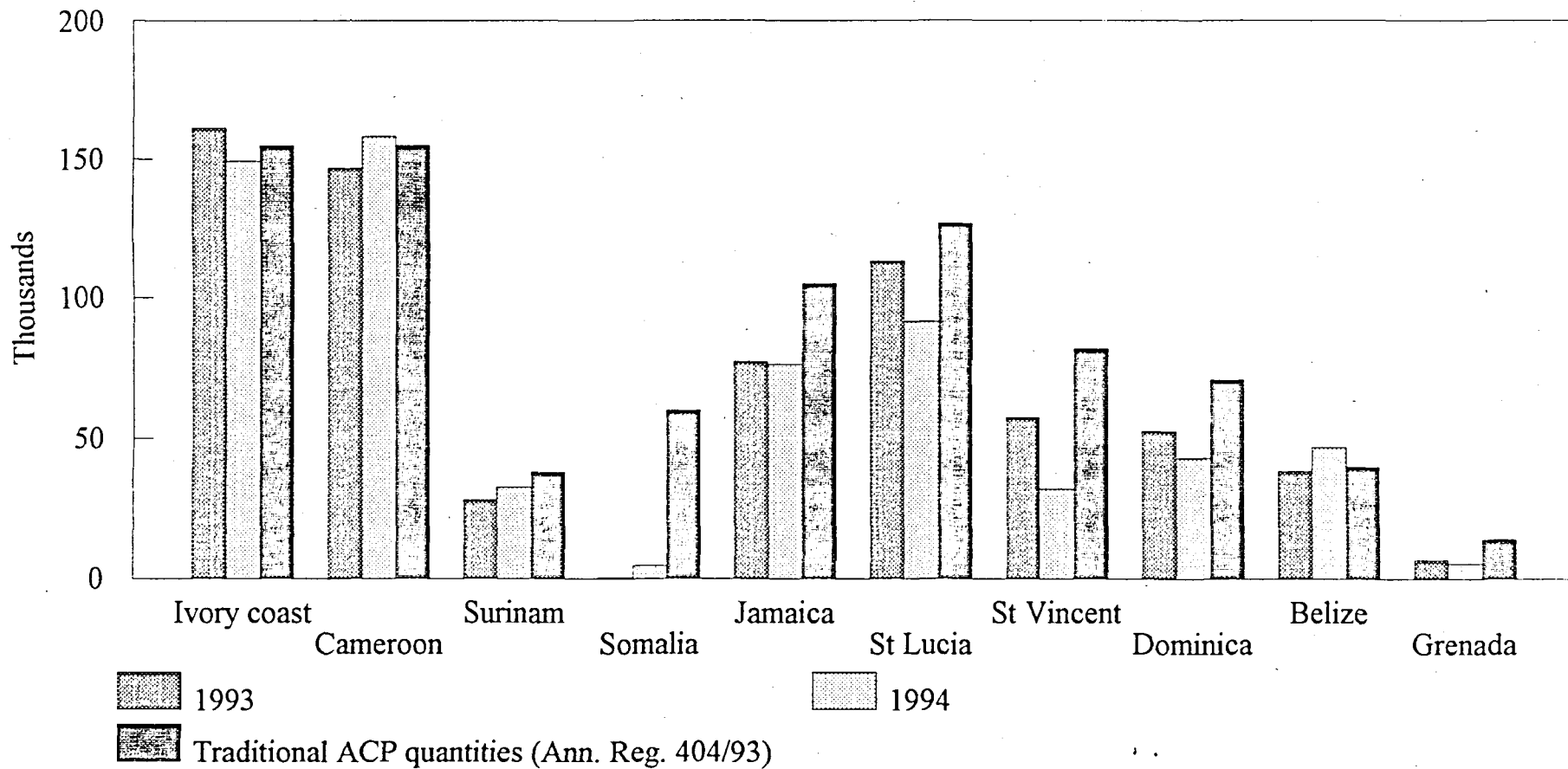
tonnes



Source : national statistics

25

Imports of traditional ACP bananas into Eur 12 tonnes

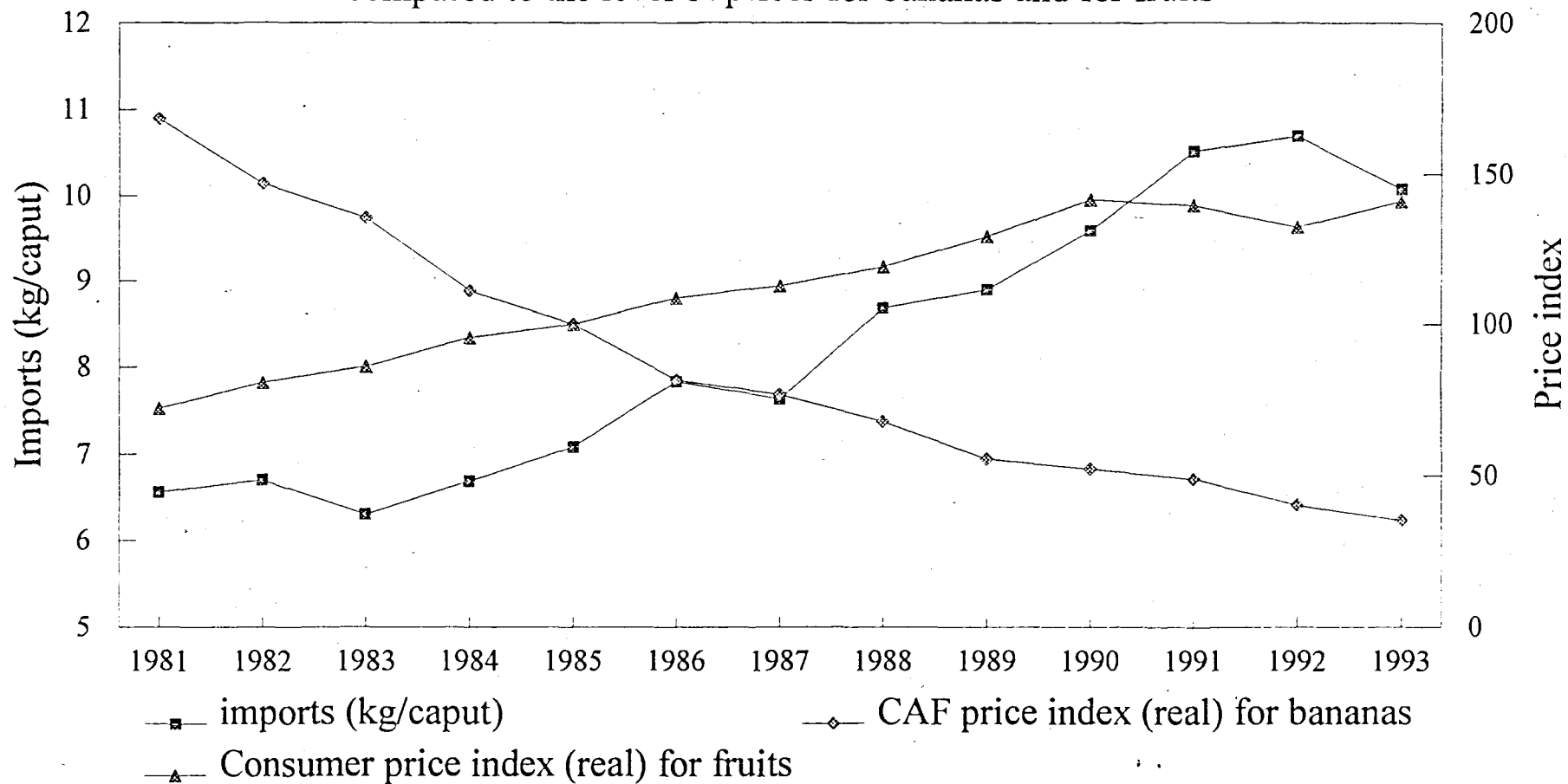


Comext

Imports from Cape verde and Madagascar are negligible

26

Imports of bananas into Eur 12 (kg/caput) compared to the level of prices for bananas and for fruits



Source : Comext, cronos

27

ANNEX 9

BANANA CIF PRICES

ORIGIN: DOLLAR ZONE

PRICES IN ECU/KG

	B/L	DK	FRG	GR	SPA	F	IRL	I	NL	POR	UK	EC12
1983	0.47	0.47	0.53	0.00	0.00	0.49	0.48	0.47	0.46	0.00	0.52	0.50
1984	0.50	0.51	0.56	0.00	0.00	0.55	0.51	0.49	0.50	0.48	0.55	0.53
1985	0.54	0.49	0.58	0.00	0.00	0.68	0.55	0.55	0.50	0.40	0.57	0.56
1986	0.44	0.44	0.53	0.00	0.45	0.52	0.43	0.52	0.44	0.18	0.50	0.50
1987	0.45	0.46	0.54	0.00	0.00	0.58	0.42	0.49	0.42	0.24	0.53	0.50
1988	0.40	0.41	0.50	0.51	0.00	0.50	0.40	0.45	0.40	0.23	0.42	0.46
1989	0.36	0.35	0.44	0.40	0.00	0.50	0.38	0.40	0.37	0.26	0.44	0.41
1990	0.38	0.41	0.48	0.46	0.00	0.58	0.36	0.45	0.42	0.19	0.46	0.45
1991	0.42	0.41	0.51	0.46	0.00	1.05	0.40	0.50	0.44	0.28	0.46	0.48
1992	0.36	0.35	0.44	0.42	3.11	0.56	0.39	0.43	0.31	0.19	0.41	0.41
1993	0.40	0.38	0.40	0.42	0.40	0.50	0.37	0.40	0.36	0.46	0.43	0.40
1994	0.49	0.45	0.50	0.54	0.52	0.48	0.43	0.61	0.43	0.50	0.49	0.51

Source : EUROSTAT - Comext
AG/PRICES/CAF/DOL

88

ANNEX 10

BANANA CIF PRICES

ORIGIN: ACP

PRICES IN ECU/KG

	B/L	DK	FRG	GR	SPA	F	IRL	I	NL	POR	UK	EC12
1983	0.42	0.00	0.64	0.00	0.00	0.56	0.44	0.55	0.24	0.00	0.66	0.61
1984	0.56	0.56	0.34	0.00	0.00	0.56	0.51	0.48	0.53	0.57	0.73	0.65
1985	0.84	0.29	0.88	0.00	0.00	0.61	0.29	0.53	0.74	0.40	0.82	0.71
1986	1.33	0.36	0.74	0.00	0.00	0.61	0.40	0.49	0.48	0.69	0.73	0.68
1987	0.49	1.67	0.84	0.00	0.00	0.61	0.53	0.47	0.38	0.69	0.69	0.64
1988	1.25	0.42	0.57	0.63	0.00	0.60	0.32	0.46	0.56	0.58	0.72	0.65
1989	1.13	0.33	1.20	0.61	0.00	0.59	0.35	0.40	0.39	0.61	0.66	0.61
1990	0.44	0.44	0.55	0.57	0.00	0.63	0.43	0.44	0.49	0.58	0.64	0.62
1991	0.44	0.49	0.71	0.62	0.00	0.70	0.43	0.47	0.55	0.41	0.68	0.66
1992	0.49	0.42	0.53	0.44	0.57	0.65	0.44	0.43	0.55	0.62	0.62	0.60
1993	0.50	0.36	0.46	0.30	0.39	0.59	0.46	0.39	0.56	0.53	0.61	0.59
1994	0.48	0.50	0.58	0.00	0.48	0.61	0.00	0.53	0.71	0.73	0.62	0.60

Source : EUROSTAT - Comext
AG/PRICES/CAF/ACP

ANNEX 11

BANANA CIF PRICES

ORIGIN: CANARY ISLANDS

PRICES IN ECU/KG

	B/L	DK	FRG	GR	SPA	F	IRL	I	NL	POR	UK	EC12
1983	0.00	0.00	0.00	0.00	0.00	0.41	0.00	0.00	0.00	0.00	0.50	0.41
1984	1.00	0.00	0.81	0.00	0.00	0.45	0.00	0.00	0.57	0.00	0.48	0.48
1985	0.00	0.00	0.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.63	0.68
1986	0.00	0.00	1.14	0.00	0.48	0.00	0.00	0.00	0.50	0.30	0.00	0.48
1987	0.00	0.00	1.11	0.00	0.63	0.46	0.00	0.00	1.00	0.20	0.50	0.63
1988	1.00	0.00	1.12	0.00	0.71	0.51	0.00	0.00	0.83	0.24	0.77	0.71
1989	0.00	0.00	0.99	0.00	0.75	0.42	0.00	0.00	0.00	0.43	0.00	0.75
1990	0.00	0.00	0.81	0.00	0.84	0.40	0.00	0.00	0.00	0.32	0.67	0.83
1991	0.00	0.00	0.91	0.00	0.83	1.60	0.00	1.50	0.00	0.00	0.48	0.83
1992	0.00	0.00	0.58	0.00	0.86	1.73	0.00	0.00	0.00	0.00	0.34	0.86
1993	0.00	0.00	0.49	0.00	0.65	1.41	0.00	0.50	0.54	0.00	0.50	0.65
1994	0.00	0.00	0.54	0.00	0.56	1.50	0.00	0.00	0.70	0.00	0.72	0.56

Source : EUROSTAT - Comext
AG/PRICES/CAF/CAN

ANNEX 12

BANANA CIF PRICES

ORIGIN: FRENCH DOM

PRICES IN ECU/KG

	B/L	DK	FRG	GR	SPA	F	IRL	I	NL	POR	UK	EC12
1983	0.00	0.00	0.00	0.00	0.00	0.54	0.00	0.00	0.00	0.00	0.76	0.54
1984	0.00	0.00	0.00	0.00	0.00	0.60	0.00	0.58	0.00	0.00	0.59	0.60
1985	0.00	0.00	0.00	0.00	0.00	0.63	0.00	0.73	0.00	0.00	0.00	0.63
1986	0.00	0.00	0.00	0.00	0.57	0.67	0.00	0.56	0.50	0.00	0.85	0.67
1987	0.00	0.00	0.67	0.00	0.38	0.66	0.00	0.55	0.00	0.00	0.80	0.66
1988	0.00	0.00	0.00	0.00	0.00	0.65	0.00	0.72	0.00	0.00	0.00	0.65
1989	0.00	0.00	0.00	0.77	0.00	0.60	0.00	0.70	0.00	0.00	0.65	0.60
1990	0.61	0.00	0.37	0.00	0.00	0.61	0.00	0.29	0.35	0.00	0.60	0.61
1991	0.00	0.47	0.43	0.00	0.00	0.67	0.00	0.84	0.00	0.00	0.84	0.67
1992	0.00	0.00	0.50	0.00	0.00	0.57	0.00	0.64	0.67	0.00	0.70	0.57
1993	0.00	0.00	0.47	0.00	0.00	0.52	0.00	0.00	0.00	0.68	0.00	0.52
1994	0.48	0.00	0.46	0.00	0.00	0.75	0.00	0.00	0.00	0.00	0.00	0.73

Source : EUROSTAT - Comext
AG/PRICES/CAF/DOM

ANNEX 13

WHOLESALE PRICES FOR YELLOW BANANAS - DOLLAR

(FOUR WEEK AVERAGE PRICE)

week no.	WEEK ENDING	BEL Ecu	DEN Ecu	GER Ecu	GRE Ecu	SP Ecu	FR Ecu	IRL Ecu	IT Ecu	NL Ecu	AUS Ecu	POR Ecu	FIN Ecu	SW Ecu	UK Ecu
29	23-Jul-93	0.89	0.94	1.02	1.17	0.74	0.79	0.99	0.93	0.86		0.80			0.86
33	20-Aug-93	0.87	0.86	0.98	1.33	0.84	0.81	1.00	0.90	0.84		0.91			0.87
37	17-Sep-93	0.69	0.90	0.98	1.34	0.90	0.85	1.00	0.97	0.89		0.93			0.82
41	15-Oct-93	0.84	0.86	0.99	1.40	0.84	0.78	0.95	0.92	0.84		0.82			0.75
45	12-Nov-93	0.80	0.86	0.95	1.21	0.79	0.74	0.86	0.83	0.79		0.80			0.63
49	10-Dec-93	0.55	0.73	0.89	1.20	0.69	0.61	0.85	0.79	0.76		0.64			0.66
1	07-Jan-94	0.91	0.78	0.96	1.23	0.88	0.89	0.89	0.89	0.80		0.87			0.95
5	04-Feb-94	1.10	1.03	1.16	1.52	1.08	1.07	1.06	1.18	1.04		1.06			1.10
9	04-Mar-94	1.06	0.97	1.14	1.55	0.97	1.00	1.09	1.10	1.02		0.97			0.96
13	01-Apr-94	1.05	1.02	1.14	1.47	0.95	0.99	1.07	1.07	1.04		0.93			0.92
17	29-Apr-94	1.09	1.07	1.17	1.46	0.93	1.01	1.09	1.12	1.07		0.92			1.18
21	27-May-94	1.01	0.97	1.11	1.40	0.85	0.91	1.13	1.03	0.97		0.90			0.94
25	24-Jun-94	0.88	0.82	1.01	1.24	0.71	0.77	1.13	0.89	0.87		0.77			0.90
29	22-Jul-94	0.82	0.78	0.89	1.25	0.69	0.75	1.08	0.83	0.78		0.74			0.80
33	19-Aug-94	0.93	0.85	0.98	1.29	0.84	0.89	1.04	0.89	0.89	0.61	0.91			0.88
37	16-Sep-94	1.04	0.98	1.09	1.32	0.92	0.99	1.02	1.03	1.02	0.58	0.91			1.01
41	14-Oct-94	0.94	0.91	1.04	1.33	0.96	0.93	1.03	0.97	0.92	0.53	0.90			0.85
45	11-Nov-94	0.95	0.90	1.06	1.35	0.91	0.89	1.02	0.98	0.91	0.60	0.87			0.97
49	09-Dec-94	1.00	0.98	1.13	1.37	0.94	0.95	1.03	1.00	1.00	0.84	0.90			0.84
1	06-Jan-95	1.01	0.82	0.97	1.37	0.86	0.86	1.02	0.93	0.91	0.65	0.90	0.62		0.68
5	03-Feb-95	1.11	1.03	1.14	1.36	0.92	0.98	1.01	1.01	1.04	0.83	0.96	0.79		0.95
9	03-Mar-95	1.16	1.10	1.18	1.43	0.93	1.04	0.99	1.02	1.11	0.89	1.03	0.80		0.95
13	31-Mar-95	1.17	1.13	1.18	1.51	0.97	1.08	1.08	1.05	1.12	0.91	1.02	0.80	0.86	0.95
17	28-Apr-95	1.17	1.10	1.15	1.51	0.97	1.00	1.07	1.11	1.08	0.95	0.97	0.79	0.90	0.94
21	26-May-95	1.13	1.00	1.06	1.48	0.85	0.85	1.07	1.02	1.03	1.01	0.85	0.78	0.91	0.79
25	23-Jun-95	0.95	0.84	0.91	1.37	0.76	0.71	1.07	0.89	0.90	0.94	0.70	0.71	0.82	0.84
29	21-Jul-95	0.76	0.68	0.72	1.30	0.67	0.68	1.07	0.80	0.74	0.86	0.66	0.61	0.75	0.71
33	18-Aug-95	0.75	0.66	0.72	1.28	0.67	0.66	1.07	0.79	0.72	0.86	0.66	0.60	0.75	0.68
37	15-Sep-95	0.80	0.76	0.84	1.23	0.79		1.08	0.86	0.80	0.88	0.80	0.62	0.82	0.80

ANNEX 14

WHOLESALE PRICES FOR YELLOW BANANAS - ACP

(FOUR WEEK AVERAGE PRICE)

week no.	WEEK ENDING	BEL Ecu/kg	DEN Ecu/kg	GER Ecu/kg	GRE Ecu/kg	SP Ecu/kg	FR Ecu/kg	IRL Ecu/kg	IT Ecu/kg	NL Ecu/kg	POR Ecu/kg	UK Ecu/kg
29	23-Jul-93			0.75	1.17	0.69	0.82	0.90		0.79		0.87
33	20-Aug-93			0.80		0.77	0.81	0.94		0.81	0.88	0.86
37	17-Sep-93		0.76	0.76		0.90	0.87	0.96		0.88	0.64	0.84
41	15-Oct-93			0.75		0.83	0.59		0.75	0.76	0.41	0.76
45	12-Nov-93			0.79		0.77	0.75	0.83		0.75	0.79	0.63
49	10-Dec-93			0.84		0.68	0.51	0.84		0.70	0.49	0.61
1	07-Jan-94			0.91		0.70	0.40	0.85		0.67	0.55	0.77
5	04-Feb-94			1.23		1.05	1.10			1.04	1.07	1.06
9	04-Mar-94			1.16		0.90	1.02			1.00	0.96	0.97
13	01-Apr-94			1.15		0.92	0.99			1.00	0.89	0.90
17	29-Apr-94			1.21		0.93	1.01			1.03	0.76	1.16
21	27-May-94			1.18		0.81	0.92			0.92		0.94
25	24-Jun-94			1.12		0.73	0.78			0.83	0.70	0.89
29	22-Jul-94			0.88		0.68	0.74			0.72		0.79
33	19-Aug-94			1.01		0.82	0.88			0.88		0.87
37	16-Sep-94			1.15		0.90	0.98			0.96		0.99
41	14-Oct-94			1.13		0.87	0.93			0.89		0.87
45	11-Nov-94			1.14		0.87	0.86			0.90		0.96
49	09-Dec-94			1.20		0.93	0.91			0.96		0.87
1	06-Jan-95			1.12		0.88	0.90			0.90		0.74
5	03-Feb-95			1.25		0.92	0.96			0.97		0.94
9	03-Mar-95			1.30		0.91	1.03		0.75	1.05		0.96
13	31-Mar-95			1.21		0.95	1.07					0.94
17	28-Apr-95			1.32		0.95	1.00			1.01		0.93
21	26-May-95		0.88	1.18		0.81	0.83		0.73	1.02	0.78	0.79
25	23-Jun-95		0.64	0.98		0.74	0.53		0.60	0.96	0.66	0.82
29	21-Jul-95			0.88		0.64	0.65		0.46			0.69
33	18-Aug-95			0.88		0.65	0.64		0.46			0.68
37	15-Sep-95			1.01		0.76	0.76		0.64	0.74		0.77

ANNEX 15

WHOLESALE PRICES FOR YELLOW BANANAS - EC

(FOUR WEEK AVERAGE PRICE)

week no.	WEEK ENDING	DEL Ecu	DEN Ecu	GER Ecu	GRE Ecu	SP Ecu	FR Ecu	IRL Ecu	IT Ecu	NL Ecu	POR Ecu	UK Ecu
29	23-Jul-93			0.93			0.82		0.90		0.54	0.88
33	20-Aug-93			0.75	0.68	0.58	0.82				0.64	0.80
37	17-Sep-93				0.72		0.88				0.73	0.90
41	15-Oct-93				0.91	0.79	0.81				0.61	0.67
45	12-Nov-93			0.71	1.09	0.77	0.75				0.63	0.63
49	10-Dec-93			0.69	1.26	0.71	0.65				0.53	0.56
1	07-Jan-94			0.81	1.21	0.87	0.85	0.92			0.65	0.89
5	04-Feb-94			1.10	1.25	1.01	1.08	1.04			0.88	1.05
9	04-Mar-94			1.06	1.24	0.85	1.02				0.71	0.91
13	01-Apr-94			1.10	1.23	0.84	0.98				0.73	0.81
17	29-Apr-94			1.15	1.23	0.80	1.00				0.71	1.17
21	27-May-94			1.02	1.21	0.69	0.93				0.68	0.90
25	24-Jun-94		0.81	0.94	1.16	0.57	0.77				0.53	0.91
29	22-Jul-94		0.76	0.69	1.04	0.53	0.74				0.48	0.78
33	19-Aug-94		0.80	0.76	1.03	0.73	0.89				0.72	0.87
37	16-Sep-94			0.97	1.03	0.83	0.98				0.71	1.00
41	14-Oct-94		0.94	0.85	1.02	0.96	0.94				0.69	0.88
45	11-Nov-94			0.80	1.02	0.94	0.88				0.72	0.94
49	09-Dec-94			0.91	1.02	0.95	0.92			0.95	0.73	0.81
1	06-Jan-95			0.82	1.01	0.82	0.90				0.77	0.65
5	03-Feb-95			1.05	1.01	0.85	0.95				0.82	0.94
9	03-Mar-95			1.10	0.99	0.81	1.02				0.85	0.93
13	31-Mar-95		1.05	1.16	0.98	0.83	1.05				0.84	0.91
17	28-Apr-95		1.05	1.01	0.97	0.71	1.00				0.73	0.97
21	26-May-95		0.96	0.97	0.91	0.64	0.84				0.73	0.75
25	23-Jun-95		0.81	0.79	0.87	0.62	0.69				0.54	0.77
29	21-Jul-95		0.66	0.59	0.84	0.55	0.65			0.74	0.51	0.59
33	18-Aug-95		0.63	0.58	0.81	0.53	0.64			0.58	0.50	0.61
37	15-Sep-95		0.78	0.75	0.77	0.75	0.77				0.63	0.74

ANNEX 16

AVERAGE GERMAN RETAIL PRICES

PRICES IN DM/KG

Month	1990	1991	1992	1993	1994	1995
January	2.19	2.09	2.03	2.09	2.70	2.95
February	2.80	2.46	2.14	2.47	3.24	3.13
March	2.81	2.87	2.07	2.49	3.27	3.21
April	2.80	2.98	2.32	2.35	3.28	3.23
May	2.60	2.77	2.07	2.09	3.32	3.05
June	2.58	2.82	2.10	2.20	3.24	2.86
July	2.49	2.22	1.67	2.78	2.90	2.55
August	2.63	2.00	1.98	2.82	2.83	2.34
September	2.45	2.08	1.87	2.84	3.17	
October	2.49	1.96	1.94	2.83	3.16	
November	2.06	2.07	1.87	2.77	3.06	
December	2.06	2.01	1.97	2.71	3.18	
AVERAGE	2.50	2.36	2.00	2.54	3.11	
1st half average	2.63	2.67	2.12	2.28	3.18	3.07
2nd half average	2.36	2.06	1.88	2.79	3.05	

Source : Zentrale Markt- und Preisberichtsstelle