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EU banana disputes officially end



European Union and Latin American officials sign historic deal to close all disputes relating to banana imports into the EU

Representatives from the European Union and ten Latin American countries have signed a landmark agreement on banana imports into the EU, ending one of the longest-running disputes in the history of international trade.

"This is a truly historic moment," said WTO director general Pascal Lamy, who has worked for many years to broker a deal between all parties involved.

"After so many twists and turns, these complicated and politically contentious disputes can finally be put to bed. It has taken so long that quite a few people who worked on the cases, both in the secretariat and in member governments have retired long ago."

At a special meeting in Geneva, Lamy distributed signed copies of a revised version of document WT/Let/868 first published on 30 October outlining the EU's commitment to abandon what is now regarded as a complicated banana

import regime and replace it with a more simple roster of tariffs.

In line with its WTO commitments, those tariffs are due to decline every year until they reach €114 per tonne, a commitment first proposed in the Geneva Banana Agreement of 2009.

Shahid Bashir, Pakistan's ambassador to the WTO and chairperson of the dispute settlement body which brought all sides to agreement, was on hand to officiate as officials from the EU and the ten Latin American countries signed the mutually agreed solution, referred to as document WT/DS16/8

As a result, legal cases DS16, DS27, DS105, DS158, DS361 and DS364 between the EU and a number of those Latin American countries were formally closed.

Multilateral agreement

The Latin American countries present were Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Venezuela and Peru.

The latter did not in fact participate in the signing as it had not been directly involved in the disputes, but was involved in some key negotiations.

The Geneva Banana Agreement itself was agreed by the EU, the Latin American countries and the US in December 2009.

Since then, a number of legal steps were required, including each country ratifying the agreement and the EU introducing legislation and regulations to implement it.

Having been accepted by the WTO's membership as part the EU's new commitment, the agreement is now regarded as multilateral.

The agreed maximum tariff rates are as follows:

Until 31 December 2010 €148/tonne
1 January 2011 €143/tonne
1 January 2012 €136/tonne
1 January 2013 €132/tonne
1 January 2014 €127/tonne

1 January 2015 0 0122/tonne

1 January 2016 0 0117/tonne

1 January 2017 0 0114/tonne

One slight caveat to the entire deal remains the fact that, if there is no agreement on a framework

deal in the Doha Round agriculture negotiations by 31 December 2013, these annual tariff cuts for the remaining years can be delayed by up to two years.

The European banana disputes date back to 1992, when the WTO's precursor was

the General Agreement on Tariffs and Trade.