

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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CONTRACTING PARTIES
Fiftieth Session

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STATEMENT BY ECUADOR, GUATEMALA,
HONDURAS, MEXICO AND PANAMA

The following statement by Ecuador, Guatemala, Honduras, Mexico and Panama relating to item 17 of the Council's report to the Fiftieth Session of the CONTRACTING PARTIES, "Recourse to Articles XXII and XXIII - (a) European Economic Community: (i) member States' import regimes for bananas and (ii) import regime for bananas is being circulated by the above-mentioned delegations with the request that it figure in the record of the discussion of the Fiftieth Session of the CONTRACTING PARTIES on Council matters.

I am speaking on behalf of Ecuador, Guatemala, Honduras, Mexico and Panama, who together represent the majority of total banana supplies to member countries of the European Union.

We wish to refer at this meeting to the Framework Agreement on the banana import regime imposed by the Commission of the European Union on its member States, which is to enter into force with the future World Trade Organization.

Although this Agreement was accepted by some countries, it repeats the violations of the provisions of GATT 1947 and the basic provisions of the future World Trade Organization, as it does not in any way resolve the incompatibilities totally condemned by two panels. These incompatibilities include:

- The specific levies collected by the European Communities on imports;
- and especially, the import licensing system.

The import licensing system which the so-called Framework Agreement maintains establishes forms of discrimination that violate the GATT/WTO provisions and harm Latin-American exporters and European importers who, before the single market came into being, had regimes without any limitations. This discrimination in the import licensing system to the advantage of Community operators who have never marketed Latin-American bananas has also injured European consumers who have suffered from higher prices for Latin American bananas.

Apart from these violations, the Framework Agreement does not resolve the problems of the ACP countries nor those of the Latin-American countries.

In the course of this year, at meetings of the Council of Representatives, we have drawn attention to the illegalities of the banana import regime. We have stressed that we are fully prepared to reach an overall agreement to the benefit of all concerned.

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On various occasions we have sought to obtain from the Commission of the European Union a firm commitment to establish a dialogue without preconditions, but this has not yet been possible.

The fact that a decision has not yet been taken on the recommendations of the panels has meant that this banana problem has grown increasingly serious day by day, and that the Commission of the European Union is continuing to violate its obligations under the international agreements.

Given the absence of an open and constructive dialogue, at this session of the CONTRACTING PARTIES we once again urge the adoption of the recommendations of the panels and call on the European Union to fulfil its obligations as rapidly as possible.