



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Development

2010/0057(NLE)

7.10.2010

DRAFT OPINION

of the Committee on Development

for the Committee on International Trade

on the proposal for a Council Decision on the conclusion of a Geneva Agreement on Trade in Bananas between the European Union and Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru and Venezuela and of an Agreement on Trade in Bananas between the European Union and the United States of America (07782/2010 – C7-0148/2010 – 2010/0057(NLE))

Rapporteur: Charles Goerens

PA_LegAVC

SHORT JUSTIFICATION

The arrangements applicable to the producers of bananas imported into the EU, as laid down in Regulation 404/93/EEC, have been contested by several Latin American members of the WTO and by the United States and are the subject of WTO dispute settlement procedures.

The need to eliminate all differences in treatment in line with the WTO rules has resulted in rulings unfavourable to the EU, which for fifteen years has hence been negotiating solutions aimed first at introducing a tariff-only regime and then at reducing the rate of 'Most Favoured Nation' (MFN) duty.

Negotiations in the WTO resulted, on 15 December 2009, in an agreement on trade in bananas with Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru and Venezuela and in an agreement on trade in bananas with the United States of America.

These agreements, negotiated by the Commission, provide for the settlement of disputes between the countries concerned within the GATT. Furthermore, they implement the Understandings by imposing a 'tariff-only regime' and provide for the settlement of all on-going disputes over the tariffs applicable to bananas imported from Latin America.

Under the agreements, the rate of duty applicable to bananas imported into the EU is to be gradually reduced from EUR 176 to EUR 114 per tonne in 2017, with the option of a further reduction to EUR 75 per tonne in 2020. This possibility is already the subject of negotiations between the Commission and some Latin American MFN countries, and will doubtless further imperil the very survival of the banana industry in many ACP countries.

From a budgetary viewpoint, it is estimated that these measures will also lead to a reduction in EU own resources, as from 2009, owing to the retrospective effect of the agreements entering into force as of 15 December 2009.

Under the consent procedure, Parliament can only either reject or approve the act being proposed, on the basis of a recommendation from the committee responsible – in this case the Committee on International Trade (INTA), to which the Committee on Development has submitted this opinion.

Your rapporteur firmly believes it is impossible to withhold consent for the two agreements negotiated in Geneva, since these agreements are in line with the GATT rules and any proposal to reject them, even if duly justified in the light of Parliament's prerogatives and its on-going discussions, would conflict with the '*pacta servanda sunt*' ('agreements must be kept') precept governing international relations.

Your rapporteur adopted the same approach to the issue of banana accompanying measures (BAM), which were also negotiated in Geneva (DCI BAM Regulation) with the aim of enabling the ten banana-producing ACP countries partially to offset the losses occasioned by the agreements in question. It is precisely with regard to this point that one should mention the development dimension, which is of concern to us.

It would seem appropriate, in this connection, to point to the principle set out in the second subparagraph of Article 208 (1) of the Treaty on the Functioning of the European Union, which states that the Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries. The agreements are certain to have an adverse effect on some countries, including banana-producing ACP countries. The banana accompanying measures only run until 2013 and while, in strictly management terms, those countries have to be able efficiently to manage the resources that will be provided under the DCI (BAM) Regulation, in strictly development terms it is clear that the impact of the agreements must continue to be carefully assessed, not just until 2013, but also up to 2020. A study on the impact of the agreements in the period up to 2020 is therefore essential.

The Committee on Development calls on the Committee on International Trade, as the committee responsible, to propose that Parliament give its consent to the agreements in question, subject to the Commission bringing forward, at the earliest opportunity, an impact assessment on the effects of the agreements on banana-producing developing countries, up to and including in 2020.