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SECOND REPORT

on the proposal for a Council regulation amending Regulation (EEC)
No 404/93 on the common organisation of the market in bananas
(COM(1999) 582 – C5-0277/1999 – 1999/0235(CNS))

Committee on Agriculture and Rural Development

Rapporteur: Michel J.M. Dary

Symbols for procedures

- * Consultation procedure
majority of the votes cast
- **I Cooperation procedure (first reading)
majority of the votes cast
- **II Cooperation procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- *** Assent procedure
*majority of Parliament's component Members except in cases
covered by Articles 105, 107, 161 and 300 of the EC Treaty and
Article 7 of the EU Treaty*
- ***I Codecision procedure (first reading)
majority of the votes cast
- ***II Codecision procedure (second reading)
*majority of the votes cast, to approve the common position
majority of Parliament's component Members, to reject or amend
the common position*
- ***III Codecision procedure (third reading)
majority of the votes cast, to approve the joint text

(The type of procedure depends on the legal basis proposed by the Commission)

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PROCEDURAL PAGE

By letter of 29 November 1999 the Council consulted Parliament, pursuant to Article 37 of the EC Treaty, on the proposal for a Council regulation amending Regulation (EEC) No 404/93 on the common organisation of the market in bananas (COM(1999) 582 – 1999/0235(CNS)).

At the sitting of 13 December 1999 the President of Parliament announced that she had referred this proposal to the Committee on Agriculture and Rural Development as the committee responsible and the Committee on Development and Cooperation and the Committee on Industry, External Trade, Research and Energy for their opinions (C-0277/1999).

The Committee on Agriculture and Rural Development had appointed Michel J.M. Dary rapporteur at its meeting of 19 October 1999.

It considered the Commission proposal and draft report at its meetings of 30 November 1999, 24 February 2000 and 27 March 2000.

At the last meeting it adopted the draft legislative resolution unanimously.

The following were present for the vote: Friedrich-Wilhelm Graefe zu Baringdorf, chairman; Joseph Daul, Vincenzo Lavarra and Encarnación Redondo Jiménez, vice-chairmen; Michel Dary, rapporteur; Gordon Adam, Danielle Auroi, Carlos Bautista Ojeda, António Campos, Alejandro Cercas Alonso (for María Izquierdo Rojo), Carlos Coelho (for Arlindo Cunha, pursuant to Rule 153(2)), Christel Fiebiger, Carmen Fraga Estévez (for Albert Jan Maat), Georges Garot, Lutz Goepel, Elisabeth Jeggle, Salvador Jové Peres, Hedwig Keppelhoff-Wiechert, Heinz Kindermann, Dimitrios Koulourianos, Miguel Angel Martínez Martínez (for Willi Görlach), Xaver Mayer, Neil Parish, Mikko Pesälä, Christa Prets (for María Rodríguez Ramos), Brian Simpson (for Bernard Poignant) and Ari Vatanen (for Robert William Sturdy).

The opinions of the Committee on Development and Cooperation and the Committee on Industry, External Trade, Research and Energy were attached.

The report had been tabled on 28 March 2000 (A5-0093/2000).

At the sitting of 13 April 2000, the vote was postponed and the report referred back to committee under Rule 69(2). At the sitting of 18 May 2000, the report was referred back to the committee, at its request, under Rule 144(4).

The Committee on Agriculture and Rural Development confirmed the appointment of Michel J.M. Dary as rapporteur at its meeting of 16 October 2000.

By letter of 19 October 2000 the Council forwarded to Parliament a Commission communication on the 'First Come, First Served' method for the banana regime and the implications of a 'tariff only' system (COM(2000) 621).

At the sitting of 27 October 2000 the President of Parliament announced that she had referred

this communication to the Committee on Agriculture and Rural Development as the committee responsible and the Committee on Legal Affairs and the Internal Market, the Committee on Industry, External Trade, Research and Energy, and the Committee on Development and Cooperation for their opinions (C5-0528/2000).

The Committee on Agriculture and Rural Development considered the Commission proposal, in conjunction with the above-mentioned Commission communication to the Council, and the draft second report at its meetings of 24 May 2000, 11 July 2000, 16 October 2000, 25 October 2000, 22 November 2000 and 4 December 2000.

At the last meeting it adopted the draft legislative resolution unanimously.

The following were present for the vote: Friedrich-Wilhelm Graefe zu Baringdorf, chairman; Joseph Daul et Vincenzo Lavarra, vice-chairmen; Michel J.M. Dary, rapporteur; Gordon J. Adam, Danielle Auroi, Niels Busk, António Campos, Arlindo Cunha, Christel Fiebiger, Francesco Fiori, Carmen Fraga Estévez (for Michl Ebner), Georges Garot, Lutz Goepel, María Izquierdo Rojo, Elisabeth Jeggle, Salvador Jové Peres, Hedwig Keppelhoff-Wiechert, Heinz Kindermann, Dimitrios Koulourianos, Astrid Lulling (for Agnes Schierhuber), Xaver Mayer, Manuel Medina Ortega (for María Rodríguez Ramos pursuant to Rule 153(2)), Neil Parish, Mikko Pesälä, Isidoro Sánchez García (for Giovanni Procacci), Dominique F.C. Souchet, Struan Stevenson and Robert William Sturdy.

The Committee on Legal Affairs and the Internal Market decided on 22 November 2000 not to deliver an opinion.

The report was tabled on 5 December 2000.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

LEGISLATIVE PROPOSAL

Proposal for a Council regulation amending Regulation (EEC) No 404/93 on the common organisation of the market in bananas (COM(1999) 582 – C5-0277/1999 – 1999/0235(CNS))

The proposal is amended as follows:

Text proposed by the Commission¹

Amendments by Parliament

(Amendment 1)
Recital 1a (new)

(1a) *The common organisation of the market in bananas is extremely important for the ACP producer countries and the outermost regions of the Union in terms of export revenues, employment, the development of infrastructures and environmental protection.*

Justification:

The common organisation of the market in bananas allows the operation, continuation and stability of an area of production which is essential for the sometimes fragile economies in the ACP countries and the most remote regions of the European Union.

¹ OJ C 177, 27.6.2000, p. 28.

(Amendment 2)
Recital 1b (new)

(1b) *The fundamental principles which governed the establishment of the common organisation of the market in bananas were designed to guarantee European consumers the variety and balance of the sources of supply for the market on the basis of respect for Community preference and the Community's various international obligations, contracted primarily towards its ACP partners, as set out in Protocol No 5 of the Lomé Convention and reaffirmed when the Cotonou Agreement was signed.*

Justification:

The first COM for bananas which was established in 1993 replaced various national systems with a common organisation characterised by a common import system. Its aim was to deal at Community level with a certain number of different and often contradictory market requirements, while respecting the Union's commitment to the ACP countries, guaranteeing them preferential access to their traditional markets.

Since it was established the COM has ensured that the variety and balance of the sources of supply are guaranteed to European consumers.

(Amendment 3)
Recital 1c (new)

(1c) *When it was established, the common organisation of the market in bananas was based on a compromise respecting the interests of the various sources of supply, while taking account of the Union's previous commitments, namely Community preference, preferential access for ACP countries and the GATT rules with regard to third countries.*

Justification:

(See justification for Amendment 2)

(Amendment 4)
Recital 1d (new)

(1d) *The terms of the ACP-EU Partnership Agreement for Development, which replaced the Lomé Convention, provide for a transitional period to allow gradual adaptation to the rules and standards of the WTO.*

Justification:

The partnership agreement for development replacing the Lomé Convention following its expiry on 29 February 2000 provides that the new trade arrangements will be negotiated between 2002 and 2008, to replace the current unilateral trade preferences scheme and that they should be compatible with WTO rules.

(Amendment 5)
Recital 1e (new)

(1e) *The time has come to find a lasting and acceptable compromise which will settle the disputes in the WTO and, at the same time, solve the problems inside the European Union or at least minimise them.*

Justification:

Although it is painful for the Community to be pressurised by the WTO, the new situation should also be seized as an opportunity of finding a new and lasting compromise inside the EU as well.

(Amendment 6)
Recital 2

(2) *Analysis of all the options presented by the Commission suggests that establishment in the medium term of an import system founded on the application of a customs duty at an appropriate rate and application of a preferential tariff to imports from ACP countries provides the best guarantees, firstly of achieving the objectives of the common organisation of the market as regards Community production and consumer demand, secondly of complying with the rules on international trade, and thirdly of preventing further disputes.* (Deleted)

Justification:

The option of establishing a 'tariff only' system in the short or medium term is not in accordance with achievement of the objectives of the COM in bananas and at this stage could not guarantee the permanence and security of the market, in particular for the ACP and Community producers and operators.

(Amendment 7)
Recital 2a (new)

- (2a) *An import system based on a flat tariff would pose a serious risk of a collapse in banana prices on the Community markets owing to surplus supply of bananas imported at a low price, over and above what is currently being experienced, which makes it necessary to increase the compensatory aid granted to Community producers in the outermost regions to guarantee their level of income.***

Justification:

The economic impact on Community producers must be offset in accordance with the rules of the game under the COM for the banana sector in order to prevent serious social harm being done to thousands of farming families.

(Amendment 8)
Recital 2b (new)

- (2b) *The financial perspective adopted in Agenda 2000 for the financing of the common agricultural policy is insufficient to cope with the additional expenditure which would result from a change to the common organisation of the market in bananas and should therefore be revised before the relevant regulation is adopted.***

Justification:

The failure to include the financing of the measures necessary to deal with a change to the COM makes it necessary for the budget to be corrected in this case.

(Amendment 9)
Recital 2c (new)

- (2c) Consideration should be given to the possibility of having recourse also to Article 299(2) of the Treaty, which provides for the adoption by the Council, on a proposal from the Commission and after consulting the European Parliament, of specific measures for the outermost regions, including in the field of the CAP, in the event that the negative social, economic and environmental consequences arising from the new flat tariff system place banana producers in those regions at a disadvantage.**

Justification:

This amendment recognises that there is a legal basis for the differentiated application of Community provisions in the outermost regions. The outermost regions are included in Objective 1 of the Structural Funds and use should be made of that fact in connection with this reform of the COM.

(Amendment 10)
Recital 2d (new)

- (2d) In order to offset the consequences of the reform of the common organisation of the market in bananas, support should be given to restructuring measures financed under the Structural Funds.**

Justification:

The outermost regions are included in Objective 1 of the Structural Funds and use should be made of that fact in connection with this reform of the COM.

(Amendment 11)
Recital 3

(3) However, ***such*** a system ***must*** be introduced ***upon completion*** of negotiations with the Community's partners in accordance with WTO procedures, in particular Article XXVIII of the General Agreement on Tariffs and Trade (GATT).

(3) However, a ***new*** system ***shall*** be introduced, ***for a period which cannot be less than 10 years nor involve ipso facto transition to a tariff only scheme, in parallel with a process*** of negotiations with the Community's partners in accordance with WTO procedures, in particular Article XXVIII of the General Agreement on Tariffs and Trade (GATT).
Before the outcome of the negotiations, the Commission will submit a report to the Council and to the European Parliament, taking into account the situation of Community producers and consumers, and the Union's commitments to the ACP countries.

In any case, the change to a new system will be decided by the Council in cooperation with the European Parliament under the terms of the Treaty.

Justification:

The introduction of a modified COM should enable it to operate for a sufficiently long period to prepare the producers and operators for a potential situation of increased competition; ten years seems essential as a period for its internal operation to be assessed but also as regards the multilateral trade negotiations.

The General Affairs Council held on 9 October 2000 invited the Commission to submit a report before the outcome of the negotiations. Furthermore, the consultation of the European Parliament before any shift to a new system should be clearly mentioned.

(Amendment 12)
Recital 3b (new)

(3b) *The European model of agriculture cannot comply with and yield to the idea of profit alone, to the detriment of respect for fundamental principles in the areas of Community preference, social rights, environmental protection, product safety and quality and abuses of dominant positions.*

Justification:

The aim of the reformed common agricultural policy, following from Agenda 2000, is to defend a European model of agriculture geared towards sustainable methods of agricultural production and to ensure the placing on the market of safe and wholesome products; total liberalisation of trade without guarantees on these points could not be compatible with the European Union's approach.

(Amendment 13)
Recital 3c (new)

(3c) *A study should be made of the operation of this Regulation over a minimum period of ten years to enable consideration to be given to the system to be applied after that period and, if necessary, the internal aspects of the COM to be reviewed.*

Justification:

The new COM for bananas was established in 1993, and less than seven years have passed since it entered into force. Regulation (EEC) No 404/93 is now to be amended for the second time in recent years. It would be best to wait at least until 2010 to ascertain whether these changes permit markets to function adequately, since they would not operate properly with frequent changes.

(Amendment 14)
Recital 3d (new)

- (3d) *The Commission noted during consultations with the interested parties that there is a considerable preference for a system of tariff quotas and that a system of management of quotas on a ‘first come, first served’ basis would be compatible with the rules of the World Trade Organisation.*
- However, the implications of the ‘first come, first served’ system for the ACP countries and the trade in organic and fair trade bananas need to be closely monitored and assessed in a yearly report.*

Justification:

This amendment is in line with updated results from the Commission’s consultations with the interested parties. The continuous monitoring of the new FCFS system should be stressed.

(Amendment 15)
Recital 4

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| <p>(4) <i>Until the entry into force of that regime</i>, the Community should be supplied under several tariff quotas open to imports from all origins and managed in line with the recommendations made by the dispute settlement body. The first tariff quota of 2 200 000 tonnes at a rate of EUR 75 should be bound in the WTO. A second, additional tariff quota of 353 000 tonnes should be opened to cater for the increase in consumption resulting from enlargement of the Community in 1995, with the same rate applying. To ensure satisfactory supply to the Community, a third, autonomous</p> | <p>(4) The Community should be supplied under several tariff quotas open to imports from all origins and managed in line with the recommendations made by the WTO’s dispute settlement body. The first tariff quota of 2 200 000 tonnes at a rate of EUR 75 should be bound in the WTO. A second, additional tariff quota of 353 000 tonnes, not bound in the WTO, should be opened to cater for the increase in consumption resulting from enlargement of the Community in 1995, with the same rate applying. To ensure satisfactory supply to the Community, a third, autonomous</p> |
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tariff quota of 850 000 tonnes should be opened, also for all origins. Under this latter tariff quota, *the common customs tariff rate should be reduced in accordance with the most appropriate method, and* the preferential tariff granted to the ACP countries must be applied.

tariff quota of 850 000 tonnes should be opened, also for all origins. Under this latter tariff quota, the preferential tariff granted to the ACP countries must be applied.

Justification:

The additional quota of 353 000 tonnes has not been bound in the WTO. In view of the current oversupply on the European market, this quota should be readjusted in a much more realistic manner.

(Amendment 16)
Recital 5

(5) In view of the contractual obligations towards the ACP countries and the need to guarantee them proper conditions of competition, application to imports of bananas originating in those countries of a tariff preference of EUR 275 per tonne would allow the trade flows in question to be maintained. This will entail in particular the application to such imports of zero duty under the first two tariff quotas, and a cut of EUR 275 in the duty to be paid under the third tariff quota after application of the aforementioned reduction.

(5) In view of the contractual obligations towards the ACP countries and the need to guarantee them proper conditions of competition, application to imports of bananas originating in those countries of a **maximum** tariff preference of EUR 300 per tonne would allow the trade flows in question to be maintained. This will entail in particular the application to such imports of zero duty under the first two tariff quotas, and a cut of EUR 300 **maximum** in the duty to be paid under the third tariff quota after application of the aforementioned reduction.

Justification:

In a system which is already largely open to free competition, a tariff preference of EUR 275 to the ACP supplier countries is not enough to guarantee them proper conditions of access and competition in the short and medium term. At this level the tariff structure would also prove very inadequate in placing Community bananas on an equivalent competitive level to Latin American bananas and those of certain ACP countries and would not allow them satisfactory access on the European market.

(Amendment 17)

Recital 6

(6) The Commission should be authorised to open negotiations with supplier countries having a substantial interest in supplying the Community market to endeavour to achieve a negotiated allocation of the first two tariff quotas. The Commission should also be granted authority to lay down rules for the management of the tariff quotas established by this Regulation.

(6) The Commission should be authorised to open negotiations with supplier countries having a substantial interest in supplying the Community market to endeavour to achieve a negotiated allocation of the first two tariff quotas. The Commission should also be granted authority to lay down rules for the management of the tariff quotas established by this Regulation, **and should be asked to make an in-depth study of all the possibilities with regard to calculating the reference periods.**

Justification:

Priority must be given to the supplier countries with a substantial interest in supplying the Community market. The calculation of the reference periods largely determines the volumes of bananas imported and the number and identity of importers. The Commission should take account of all the possibilities to prevent partial calculations from distorting the actual situation in the sector.

(Amendment 18)
Recital 7

(7) Provision should be made for the additional tariff quota of 353 000 tonnes to be modified to take account of any increased Community demand found when a supply balance is drawn up. Provision should also be made for suitable specific action to be taken in response to exceptional circumstances liable to affect supply of the Community market.

(7) Provision should be made for the additional tariff quota of 353 000 tonnes to be modified to take account of any increased **or reduced** Community demand found when a supply balance is drawn up. Provision should also be made for suitable specific action to be taken in response to exceptional circumstances liable to affect supply of the Community market.

Justification:

In the original text, the Commission proposes a figure of 353 000 tonnes with a possible increase if demand rises. Given that this is not a bound quota, the amount should depend on actual demand and should therefore be reduced if demand falls. In any case it should be possible to adapt the additional tariff quota to Community demand, but this should apply to a decline as well as an increase in such demand.

(Amendment 19)

Recital 7a (new)

(7a) The objective of organic production methods, as defined in Council Regulation (EEC) No 2092/91⁽¹⁾, is to contribute to the utilisation of sustainable methods of production, with a minimal impact on the environment and on health; such methods should be encouraged in third countries, in particular in ACP partner countries, and should benefit from specific incentives within the corresponding regulatory frameworks and budget headings.

(¹) OJ L 198, 22.7.1991, p. 1.

Justification:

Bearing in mind the importance which the European Community attaches to preserving the environment both within and outside our territory, the new organisation of the market in bananas should provide a stimulus for production which is compatible with the preservation of the environment and human health.

(Amendment 20)
Recital 7b (new)

(7b) *The Commission communication of 29 November 1999 to the Council and the European Parliament on fair trade lays down the framework for the promotion of ‘fair-trade’ operators.*

Justification:

The principles of fair trade should also apply in the banana sector.

(Amendment 21)
Recital 7c (new)

(7c) *It is necessary for the Commission to assess the impact of this Regulation on prices and the incomes of banana producers within the European Union and in the ACP countries and make provision to strengthen the measures established in favour of Community producers to alleviate the negative effects of new rules. In any case compensatory aid should be adjusted in line with the impact of this Regulation, based on the principle of guaranteeing producers’ incomes.*

Justification:

Particular attention should be paid to developments in the situation of ACP and Community producers who are vulnerable at present and will be even more vulnerable in the face of increased competition and possibly in time more open competition. Proper assessment should be made of the consequences of the application of this regulation, and the negative impact on prices and incomes should be duly compensated by increasing the corresponding flat-rate reference income.

(Amendment 22)
Recital 8

(8) Accordingly, amendments should be made to **Title** IV of Regulation (EEC) No 404/93,

(8) Accordingly, amendments should be made to **Titles III and IV** of Regulation (EEC) No 404/93,

Justification:

Several amendments adopted refer to certain articles in Title III of Regulation (EEC) No 404/93.

(Amendment 23)
ARTICLE 1(-1) (new)
Article 12(8a) (new) (Regulation (EEC) No 404/93)

-1. The following paragraph is added to Article 12:

"8a. Every two years after the entry into force of this Regulation, the Commission shall present a report assessing its impact on prices and the incomes of Community and ACP producers.

On the basis of the conclusions of the assessment report, the Commission shall, where necessary or at the request of the European Parliament, submit a proposal for the adjustment of compensatory aid with the objective of guaranteeing the income of Community producers and the marketing of the product."

Justification:

The Commission is to be instructed to draw up an assessment report on the basis of which changes might be made to compensatory aid with the aim of guaranteeing producers' income.

(Amendment 24)
ARTICLE 1(-1a) (new)
Article 12a (new) (Regulation (EEC) No 404/93)

-1a. The following Article is inserted after Article 12:

"Article 12a

Aid shall be granted for the marketing of bananas produced in the outermost regions and placed on European Union markets. Such aid shall be granted to the entities marketing those bananas, whether they are individual producers, producers' organisations, individual operators or groups of operators established in those regions."

Justification:

Marketing aid is requested because banana producers in the outermost regions are insufficiently protected against low-price imports of bananas from third countries.

(Amendment 25)
ARTICLE 1(1)
Article 16(1) (Regulation (EEC) No 404/93)

1. Articles 16 to 20 of this Title shall apply to imports of fresh products falling within CN code ex 0803 00 19 ***up to the entry into force of the rate of the common customs tariff for those products, no later than 1 January 2006, established under the procedure provided for in Article XXVIII of the General Agreement on Tariffs and Trade.***

1. Articles 16 to 20 of this Title shall apply to imports of fresh products falling within CN code ex 0803 00 19.

Justification:

Given that the replacement of the current quota system by a tariff-only system is rejected, and the call is made for the current system to be maintained for a period of ten years, the second part of the Commission text from the phrase 'up to the entry into force' does not apply.

The tariff-only system proposed by the Commission would have a highly negative impact on Community producers and is not in accordance with the achievement of the objectives of the COM, since it does not guarantee subsistence and market access for ACP and Community

producers and operators. For that reason, any reference to a transitional period for its application should be avoided.

(Amendment 26)

ARTICLE 1(1)

Article 16(2) (Regulation (EEC) No 404/93)

2. ***Until the entry into force of the rate referred to in paragraph 1***, imports of the fresh products referred to in paragraph 1 shall be under the tariff quotas opened by Article 18.

2. Imports of the fresh products referred to in paragraph 1 shall be under the tariff quotas opened by Article 18.

Justification:

(See justification to Amendment 25)

(Amendment 27)

ARTICLE 1(1)

Article 18(1) (Regulation (EEC) No 404/93)

1. Each year from 1 January the following tariff quotas shall be opened:

- a) a tariff quota of 2 200 000 tonnes net weight, called "quota A";
- b) an additional tariff quota of 353 000 tonnes net weight, called "quota B";
- c) an autonomous tariff quota of 850 000 tonnes net weight, called "quota C".

These tariff quotas shall be open for imports of products originating in all third countries.

The Commission may, on the basis of an agreement with World Trade

1. Each year from 1 January the following tariff quotas shall be opened:

- a) a tariff quota of 2 200 000 tonnes net weight, called 'quota A';
- b) an additional tariff quota of 353 000 tonnes net weight, called 'quota B';
- c) an autonomous tariff quota of 850 000 tonnes net weight, called 'quota C'.

These tariff quotas shall be open for imports of products originating in all third countries.

The Commission may, on the basis of an agreement with World Trade

Organisation contracting parties with a substantial interest in the supply of bananas, allocate tariff quotas "A" and "B" among supplier countries.

Organisation contracting parties with a substantial interest in the supply of bananas, allocate tariff quotas 'A' and 'B' among supplier countries, *and, if the 'first come, first served' management method is implemented, consider ACP suppliers first comers under quota 'C'.*

The method laid down for the allocation of import licences must be such as to enable small and medium-sized producing and distribution enterprises to operate on the market on a footing of equal opportunities in relation to the large multinationals so as to guarantee freedom of choice and value for money for consumers while taking account also of health and environmental considerations. The licensing system to be regarded as preferable shall be the traditional/newcomer method, based on the imports deducible from customs certificates and a long-term retrospective frame of reference, within which operators may choose the best three-year period.

Justification:

The preferential rate of EUR 300 per tonne is not sufficient to guarantee effective access for ACP suppliers to the Community market.

The 'traditional/newcomer' method is considered the most appropriate way of meeting the demands of the WTO panel and satisfying the expectations of the ACP countries and Community producers. More generally, this option will enable the market to operate more

efficiently and transparently.

(Amendment 28)

ARTICLE 1(1)

Article 18(3) (Regulation (EEC) No 404/93)

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| 3. <i>By derogation from Article 15,</i>
imports under tariff quota “C” shall
be subject to <i>the</i> duty <i>referred to in</i>
<i>that Article less a reduction which</i>
<i>may be determined by tender.</i> | 3. Imports under tariff quota “C” shall
be subject to <i>a customs</i> duty <i>of EUR</i>
<i>300 per tonne.</i> |
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Justification:

In a system which is already largely open to free competition, a tariff preference of EUR 275 to the ACP supplier countries is not enough to guarantee them proper conditions of access and competition in the short and medium term.

(Amendment 28)

ARTICLE 1(9)

Article 18(4) (Regulation (EEC) No 404/93)

- | | |
|---|---|
| 4. A tariff preference of EUR 275 per
tonne shall apply to imports
originating in ACP countries both
under and outside the tariff quotas. | 4. A tariff preference of EUR 300 per
tonne shall apply to imports
originating in ACP countries both
under and outside the tariff quotas. |
|---|---|

Justification:

In a system which is already largely open to free competition, a tariff preference of EUR 275 to the ACP supplier countries is not enough to guarantee them proper conditions of access and competition in the short and medium term.

(Amendment 30)

ARTICLE 1(1)

Article 18(6), first subparagraph (Regulation (EEC) No 404/93)

6. The additional tariff quota provided for in paragraph 1(b) may be increased if demand in the Community increases as indicated by a balance sheet of production, consumption, imports and exports.

6. The additional tariff quota provided for in paragraph 1(b) may be increased **or reduced** if demand in the Community increases **or falls** as indicated by a balance sheet of production, consumption, imports and exports.

Justification:

In accordance with the views expressed in the amendment to recital 7, it should be possible to correct the non-bound quota of 353 000 tonnes downwards if demand falls as well as upwards where demand increases.

Account should be taken of the possibility that Community demand might fall and, consequently, provision should be made for a corresponding reduction in the volume of the additional tariff quota referred to in this subparagraph.

(Amendment 31)

ARTICLE 1(1)

Article 19(2) (Regulation (EEC) No 404/93)

2. The method adopted **shall** take account **as appropriate** of the need to maintain the equilibrium of supply to the Community market.

2. The method adopted **must** take account of the need to maintain the equilibrium of supply to the Community market.

Justification:

Maintaining the equilibrium of supply is one of the objectives of the COM and cannot be considered to be optional.

It underlies the obligation on the Commission to establish a seasonally organised regulation of market supply, such that it tallies as closely as possible with actual needs and to guarantee Community preference and avoid all marginalisation of Community production by growth in demand whether because of increased consumption or new accessions.

(Amendment 32)
ARTICLE 1(1a) (new)
Article 20a (new) (Regulation (EEC) No 404/93)

***1a. The following Article is inserted
after Article 20:***

"Article 20a

***Specific provisions shall be drawn up,
according to the procedure laid down in
Article 27, for bananas produced in
accordance with Regulation (EEC) No
2092/91 on organic farming and certified
by independent monitoring bodies in
accordance with the standard EN45011.***

***A strict system of equivalence with
Regulation (EEC) No 2092/91 shall be
applied to these bananas and the products
derived therefrom coming from
traditional ACP, ACP or third-country
quotas.***

***The producers and operators of
organically produced bananas, in
conjunction with the monitoring bodies,
shall be eligible for special support
measures under the financial and
technical assistance for this type of
production which seeks to achieve better
protection of the environment and public
health."***

Justification:

Compliance with the conditions of Regulation (EEC) No 2092/91 would enable producers to move towards sustainable methods of production, to guarantee that products which really comply with organic farming methods are placed on the market and thus to respond to growing consumer demand.

(Amendment 33)
ARTICLE 1(1b) (new)
Article 20b (new) (Regulation (EEC) No 404/93)

1b. The following Article is inserted after Article 20:

"Article 20b

Measures shall be provided, according to the procedure set out in Article 27, for bananas produced in accordance with the conditions laid down by Fair Trade Labelling Organisations International (FLO).

These bananas shall be designated 'fair trade' bananas. The conditions laid down by the FLO are annexed to this Regulation and shall apply regardless of the developing country of origin.

The Member States shall be responsible for approving the 'fair trade' certification bodies. The bodies shall be responsible for granting 'fair trade' status to producers and operators satisfying the conditions described above.

They shall also be responsible for monitoring and checking to guarantee that the 'fair trade' conditions are fully respected. The approval of the Member State shall be granted to the 'fair trade' certification bodies which can demonstrate that they conform to standard EN45011 for certification bodies.

'Fair trade' banana producers and operators and the 'fair trade' certification bodies should be eligible for special support measures within the framework of technical and financial assistance."

Justification:

The multiplication of labelling systems gives rise to confusion which harms the credibility of 'fair trade' products for which there is a growing consumer demand; it is thus necessary to guarantee a transparent and secure system.

(Amendment 34)

ARTICLE 1(3)

Article 32 (Regulation (EEC) No 404/93)

3. *Article 32 is deleted.*

(Deleted)

Justification:

A mid-term assessment (at the latest by 31 December 2004) is not superfluous.

(Amendment 35)

ARTICLE 1a (new)

Article 1a

By January 2002 at the latest the Commission shall submit to the European Parliament and the Council its first yearly report on the operation of the common organisation of the market in bananas, especially its implications for the trade with ACP countries and its compatibility with the EU agreements with these countries and its implications for the trade in organic bananas and fair trade bananas. In the event of negative implications for these sectors and partners, the Commission should present adequate proposals for modification.

Justification:

The continuous monitoring of implications of the new FCFS system should include its effect on ACP countries, on organic production and on fair trade.

DRAFT LEGISLATIVE RESOLUTION

European Parliament legislative resolution on the proposal for a Council regulation amending Regulation (EEC) No 404/93 on the common organisation of the market in bananas (COM(1999) 582 – C5-0277/1999 – 1999/0235(CNS))

(Consultation procedure)

The European Parliament,

- having regard to the Commission proposal to the Council (COM(1999)582¹),
 - having regard to the communication from the Commission to the Council on the 'First Come, First Served' method for the banana regime and the implications of a 'tariff only' system (COM(2000) 621² - C5-0528/2000),
 - having been consulted by the Council pursuant to Article 37 of the EC Treaty (C5-0277/1999),
 - having regard to Rule 67 of its Rules of Procedure,
 - having regard to the report of the Committee on Agriculture and Rural Development and the opinions of the Committee on Development and Cooperation and the Committee on Industry, External Trade, Research and Energy (A5-0093/2000),
 - having regard to the second report of the Committee on Agriculture and Rural Development (A5-0374/2000),
1. Approves the Commission proposal as amended;
 2. Calls on the Commission to alter its proposal accordingly, pursuant to Article 250(2) of the EC Treaty;
 3. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
 4. Asks to be consulted again if the Council intends to amend the Commission proposal substantially;
 5. Instructs its President to forward its position to the Council and Commission.

¹ OJ C 177, 27.6.2000, p. 28.

² Not yet published in the OJ.