In 2005, EU-25 thus

consumed 235 000

tonnes less banana

three types of origin

than in 2004. The

(community, ACP

shipments. Among

the large suppliers,

Colombia managed a

Examining this 5%

together with the

European import

price of at least 30%

accurate appraisal of

the sensitivity of the

volume released on

variation in the

the market.

European market to a

in 2005 enables an

increase in the

decrease in supplies

practically only

**Ecuador** and

satisfactory

performance.

and dollar) all

reduced their

## European banana market

#### Consumption down by 5% in 2005

The banana year in Europe was particularly busy as regards regulations. It was marked by preparation of the reform of the external part of common market organisation of banana and the considerable traffic back

forth and between Brussels and Geneva that this involved. In addition to this agitation centred on the regulations, 2005 was exceptional in terms of the market. It is shown in a recent issue of FruiTrop (No. 133, April 2006, pages 7 to 11) how excellent the performance was, with a 38% rise in the French import price and a 31% rise in the import price in Germany (Aldi reference).

varied There are for reasons the improved performance the European markets-stronger structuring of the European market as a result of concentration of import rights in just a few hands, close calculation of quotas, a decrease in world supplies because of weather adverse conditions. etc. The final supply figures provided by Eurostat and the figures used basis for as the calculating aid for European producers

(*FruiTrop* 134, May 2006, pages 8 and 9), shed new light on this analysis.

It is seen that quantities of all origins, whether dollar, ACP or community, were down in 2005. Overall, supply to EU-25 decreased by 235 000 t, that is to say 5% less than in year. previous supplies (production + imports - exports) in 2004 totalled 4.6 million t and fell to 4 367 000 t in 2005. The decrease results mainly from reduced imports from third countries (down 133 000 t); the rest was the result of a strong decrease in European production (down by 102 000 t). In 2005, dollar origins dipped by 4% and ACP origins by some 2%.

# Ecuador and Colombia—the only survivors

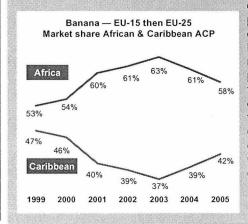
As in the major zones, trends were very marked in producer

countries. Indeed, among dollar supplies, Ecuador and Colombia strongly increased their presence in Europe with growth of 7% and 16% respectively. The two origins shipped more than half of EU imports (52%). The opposite occurred for Costa Rica and Panama, the third and fourth largest suppliers, as their shipments decreased by 26 and 24% respectively. Brazil's excellent performance should be noted, with shipments increasing by 22% to 63 300 t. Both Honduras and Peru gained ground in 2005, with increases of 6% and 20%.

ACP origins displayed the same marked movements. Cameroon lost 3% and Côte d'Ivoire lost even more ground with - 13%. In contrast, the Dominican Republic

#### ACP countries: the Dominican Republic shows its ambitions

A quick look at the EU supply balance for 2005 might lead the reader to believe that the Caribbean ACP producer-countries have finally emerged from the slump. Indeed, although the share held by the Caribbean ACP countries (including those in Latin America) is improving within the ACP group (see figure), the success is due almost entirely to the 43% increase in the Dominican Republic's shipments to the EU, reaching 145 000 tonnes. Suriname, whose banana production activities are being started up again, also performed well. All the other



origins displayed poorer results, except for Dominica which maintained its position. The figures for the first quarter of 2006 tend to indicate a change in trend, except for Cameroon, which displayed a 13% slip during the period.

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Bar	nana — EU-25	— Imports		
T	2004	2005	Delta 200	5/2004
Tonnes	2004	2005	Tonnes	%
Total, including	3 856 362	3 723 821	- 132 497	- 3
Third countries except ACP	3 073 764	2 959 464	- 114 276	- 4
ACP	782 598	764 357	- 18 221	- 2
Ecuador	990 132	1 059 269	+ 69 137	+ 7
Colombia	759 511	877 610	+ 118 106	+ 16
Costa Rica	841 118	623 340	- 217 739	- 26
Panama	367 847	281 165	- 86 661	- 24
Cameroon	261 232	253 265	- 7 967	- 3
Côte d'Ivoire	210 760	183 811	- 26 950	- 13
Dominican Rep.	101 337	144 683	+ 43 346	+ 43
Belize	80 292	74 189	- 6 104	- 8
Brazil	51 984	63 336	+ 11 352	+ 22
Suriname	19 447	35 249	+ 15 801	+ 81
St Lucia	42 872	28 243	- 14 629	- 34
Honduras	18 407	19 481	+ 1 074	+ 6
Venezuela	22 381	17 092	- 5 289	- 24
St Vincent	23 962	15 893	- 8 069	- 34
Dominica	12 167	12 814	+ 647	+ 5
Jamaica	28 660	11 654	- 17 007	- 59
Peru	9 590	11 548	+ 1 917	+ 20
Ghana	1 788	4 189	+ 2 421	+ 135
Guatemala	2 153	3 010	+ 857	+ 40
Mexico	6 890	2 724	- 4 166	- 60

Source: Eurostat

streaked ahead with one of the strongest increases of any origin at + 43%! Caribbean and Latin American ACP origins remain on the defensive, with Belize losing 8%, St Lucia and St Vincent 34% and

Jamaica 59%. Dominica was practically the only origin to do well, with a 5% increase. Suriname and Ghana are both at the development stage and their shipments increased by 81% and 134% respectively. It was

mentioned above that European production had a difficult year and the figures for the four main production zones were down on those of 2004. Such a low level of production had not been observed for a decade (since 1995)

The market shares by main type of banana remained practically unchanged in 2005. European production had a 15% share (- 1%) and dollar bananas 68% (- 1%). ACP bananas maintained their 17% share.

Analysis shows that monthly distribution was atypical. Indeed, although large volumes were imported in April and May, quantities were very small in the first quarter and in December.

### The impact of the New Member States



As the EU was enlarged in 2004, comparison of intra-community movements between EU-15 and the New Member Countries (NMS) provides some information. Even if the identification of flows between member-countries is often complex and sometimes even puzzling,

	Ban	ana type or origin				
'ear	Community	ACP	Others (\$)	Sub-total	Exports	Supplies
988	719 270	514 061	1 644 100	2 877 431	17 265	2 860 166
989	698 925	544 441	1 716 175	2 959 541	13 415	2 946 126
990	710 635	621 875	2 024 248	3 356 758	36 219	3 320 539
991	695 402	596 416	2 286 019	3 577 837	53 468	3 524 369
992	711 191	680 191	2 365 883	3 757 265	39 689	3 717 576
993	646 242	748 120	2 219 721	3 614 083	36 138	3 577 945
994	584 622	726 927	2 102 303	3 413 852	58 044	3 355 808
995	658 206	763 966	2 405 180	3 827 352	43 082	3 784 270
996	684 605	800 074	2 471 263	3 955 942	30 598	3 925 344
997	810 537	693 054	2 464 412	3 968 003	16 571	3 951 432
998	786 232	615 596	2 426 419	3 828 247	26 448	3 801 799
999	729 303	675 993	2 522 455	3 927 751	27 359	3 900 392
2000	782 176	756 808	2 528 170	4 067 154	35 327	4 031 827
.001	767 268	728 776	2 474 665	3 970 709	34 284	3 936 425
002	790 622	726 452	2 554 508	4 071 582	8 011	4 063 571
2003	754 216	786 798	2 578 827	4 119 841	6 020	4 113 821
004	750 910	782 598	3 073 764	4 607 272	11 029	4 596 243
2005	648 395	764 357	2 959 464	4 372 216	4 970	4 367 246

<sup>(1) 1988</sup> to 1993 inclusive: Eurostat + European Commission data for Madeira and Greece. From 1994 onwards: supplementary aid data.

Source: Eurostat (CD ROM sup 2-1997, 4-2006), European Commission / Processing: Cirad Market News Service

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<sup>(2)</sup> Eurostat data: all imports from non-community and non-ACP countries.
(3) Duty-paid bananas (released for free circulation) in one of the EU-25 member countries and then exported outside EU-25.

General note: before 1994: dessert bananas + plantains / From 1994 onwards: dessert bananas. Before 1995: EU-12 / From 1995 to 2003: EU-15 / Then from 2004 onwards: EU-25. The study concerns extra-community import data for ACP and dollar bananas and re-export. The rules of operation of the common market organisation of banana (1993 version) have been applied to the data from 1988 onwards in order to give comparable results. Publication of the results in the supplement to *Info Banane* 2006 published by CIRAD-FLHOR for ODEADOM.

statistical oddities excepted, it seems that trade between the NMS and EU-15 was very substantial in 2005. The NMS reduced their direct imports from third countries by some 60 000 tonnes to 400 945 tonnes. In contrast, trade among NMS and between NMS and EU-15 was more substantial than in 2004. The NMS reported shipping 133 400 tonnes of banana to EU-15 against hardly 40 000 tonnes in 2004. Although extreme caution is required as there may be errors in the figures, this observation would tend to confirm that the main EU-15 trade operators performed large movements of bananas from the NMS to EU-15.

As a result of decreasing supplies, per capita consumption in the European Union in 2005 fell by nearly 500 g to 9.6 kg per year.

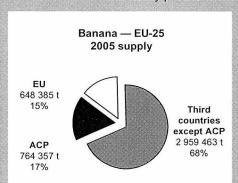
Finally, this overview of banana supplies can be concluded by the observation that a 5% decrease in supplies resulted in a 30 to 40% increase in import prices. The

calendar year 2005 thus confirmed the very great sensitivity of prices to changes in supply ■

Denis Loeillet, Cirad denis.loeillet@cirad.fr

#### 4.4 million tonnes of banana supplied to EU-25

Net banana supply to EU-25 in 2005 totalled 4 367 245 t. This was made up of 648 395 t from community production zones, 764 357 t from ACP countries

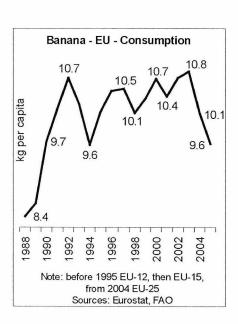


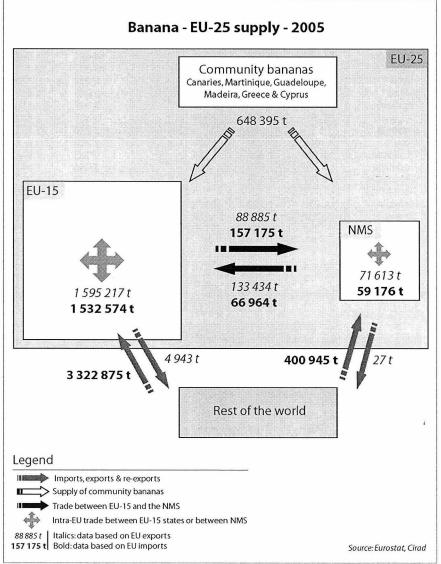
and 2 959 463 t from other third countries. It is by far the leading banana consumption zone, well ahead of the United States (3.8 million tonnes). One of the consequences of the 2004 enlargement has been the decrease in the market share held by community bananas (-15%) and a marked increase in bananas from third countries other than ACP states (+68%) and especially from Ecuador and Colombia.

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Countries	Tonnes
Total, including	3 723 821
Belgium	954 563
United Kingdom	739 548
Germany	665 099
Italy	447 822
Poland	164 554
France	157 170
Czech Rep.	122 941
Portugal	122 364
Others	349 760

Note: third-country bananas including ACP Source: Eurostat





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#### Banana monitoring: the absolute weapon

The European Commission is in the process of winning its bet. With proof in hand, it will use the European banana market monitoring system set up during the WTO negotiations in Hong Kong to show that that the customs dues of EUR 176 per tonne levied on banana imports from the mostfavoured nations (MFNs, hence imports from all but ACP countries) since 1 January 2006 is such as to ensure access to the European market for these bananas. Indeed, it will be difficult, if not impossible, for dollar origins and operators to

demonstrate that they are hamstrung. The data provided by Eurostat for the first quarter of 2006 are very clear. Imports from all origins (MFN + ACP) increased by 75 000 tonnes (+ 8%). The increase from MFNs alone was nearly 50 000 tonnes (+ 6%).

In this context, monitoring contributes to European intentions and goes against the interests of those who want a reduction in customs tariffs at any cost. The latter are deserting monitoring meetings or decline invitations to participate, whereas they had done all they could to gain access. The various Latin American

governments see monitoring as a trap that they helped to construct and that might well close on them at the end of the year if the customs tariff of EUR 176 is confirmed. Their present agitation and the announcement of their intention to make a complaint to the WTO about the new European banana regime clearly show this. However, the market is capricious and we should not draw hasty conclusions from a system that has been running for only a few months and that has been strongly helped by weather conditions in both the main production zones and consumer markets.

		20	0.5							
			05			200	)6		Variation	Variation
	January	February	March	Total 1st quarter	January	February	March	Total 1st quarter	in volume	in %
Total	310 227	311 552	332 256	954 035	335 830	311 724	381 237	1 028 791	+ 74 756	+ 8
of which ACP	54 043	52 276	64 541	170 860	63 111	60 292	72 950	196 353	+ 25 493	+ 15
of which NMS	256 184	259 276	267 715	783 175	272 719	251 433	308 287	832 438	+ 49 264	.+ 6
Ecuador	95 921	111 390	99 044	306 355	101 204	108 196	123 051	332 451	+ 26 096	+ 9
Colombia	70 458	64 005	72 552	207 015	74 131	61 284	81 801	217 215	+ 10 201	+ 5
Costa Rica	58 785	50 863	53 729	163 377	65 228	50 222	67 136	182 586	+ 19 209	+ 12
Panama	22 432	24 624	32 241	79 296	23 284	21 362	22 189	66 834	- 12 462	- 16
Côte d'Ivoire	11 878	15 235	17 758	44 871	17 425	18 451	24 782	60 657	+ 15 787	+ 35
Cameroon	21 085	16 966	23 749	61 799	18 421	15 561	19 528	53 510	- 8 289	- 13
Dom. Rep.	8 050	8 442	9 534	26 026	9 867	10 425	10 308	30 600	+ 4 574	+ 18
Brazil	4 357	4 314	4 777	13 447	6 337	6 475	8 663	21 475	+ 8 027	+ 60
Belize	5 840	4 315	4 919	15 074	5 065	4 665	5 803	15 533	+ 459	+ 3
Suriname	1 835	1 975	3 365	7 175	3 847	2 176	3 741	9 764	+ 2 589	+ 36
St Lucia	2 524	2 402	2 979	7 905	3 495	2 867	2 192	8 553	+ 648	+ 8
Jamaica	=	89	=	89	2 2 1 4	2 366	3 238	7 817	+ 7 728	+8654
Peru	967	1 160	1 020	3 147	1 339	1 986	1 923	5 248	+ 2 101	+ 67
St Vincent	1 184	1 826	1 375	4 385	1 373	1 911	1 683	4 967	+ 582	+ 13
Dominica	1 374	870	606	2 850	1 043	1 434	1 268	3 745	+ 894	+ 31
Venezuela	1 767	1 638	1 756	5 160	877	1 037	1 652	3 566	- 1 594	- 31
Guatemala	78	-	-	78	-	496	963	1 459	+ 1 381	+ 1 761
Honduras	1 213	1 239	2 378	4 829	213	233	818	1 264	- 3 565	- 74
Ghana	269	152	250	671	353	431	407	1 190	+ 520	+ 78
Mexico	207	44	0	251	66	142	20	227	- 24	- 10
Bahamas	-	-	-	-	41	_	-	41	+ 41	
Bolivia	-	-	-	-	-	-	17	17	+ 17	
Rwanda	4	2	4	9	6	4	-	10	+ 1	+ 11
Uganda	2	2	2	6	2	2	2	6	0	+ 3
Thailand	-	-	-	-	0	0		0	0	
Canada	_	=	21	21	_	-	-	-	- 21	- 100

Banana — United States imports -- Tonnes 2005 2006 Variation Variation Total Total January February March **January February** March in volume in % 1st quarter 1st quarter 294 708 330 888 307 890 283 328 342 463 933 680 - 7 707 Total 315 791 941 387 - 1 122 395 42 404 122 280 Colombia 41 621 38 129 42 645 39 610 40 267 - 115 0 Costa Rica 62 434 59 360 67 608 189 402 98 978 81 172 82 129 262 279 + 72 877 + 28 + 305 Dom. Rep. 180 85 117 382 313 167 206 686 + 44 75 700 98 633 73 343 247 676 78 459 107 726 257 652 +9976 Ecuador 71 467 + 4 Guatemala 72 447 76 151 95 961 244 559 54 632 46 079 68 997 169 707 - 74 852 - 44 35 742 34 701 42 328 112 771 34 870 30 000 33 333 98 202 - 14 569 Honduras - 15 3 102 3 023 3 257 9 382 2 528 2 905 3 061 8 493 - 889 - 10 Mexico 8 628 1 803 2 625 6 528 - 2 100 Nicaragua 2 065 2 450 4 113 2 100 - 32 975 1 411 1 480 3 866 2 2 5 4 1 849 1837 5 940 +2074+ 35 Peru - 146 Panama 316 1703 0 2019 1 138 630 105 1873 - 8 36 308 - 269 689 126 145 0 39 Venezuela Source: USDA

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