

# Reform of CMO Banana

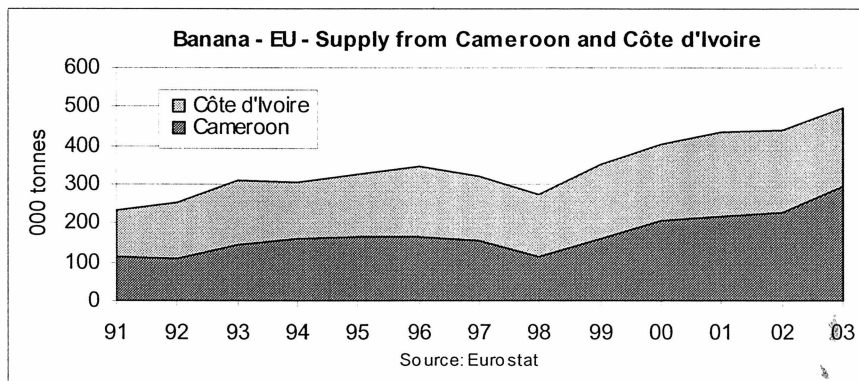
## United Africa takes the floor

Four ministers from Cameroon and Côte d'Ivoire came to persuade Europeans that banana production in Africa is a powerful force behind social cohesion. They called on Europe to maintain its development and cooperation policy with the ACP countries by defending the idea of a customs tariff at 275 euros per tonne.

A few weeks ago, the EU notified WTO of its intention to apply a 230-euro per tonne customs tariff on imports from third countries—except for ACP countries—from 1 January 2006 onwards. This decision starts the negotiations on the future EU banana supply regime. All the parties involved defend their positions, whether they favour a high or low customs tariff or the continuing of the present quota system.

It was in this context that the two large West African banana producer-exporter countries—Cameroon and Côte d'Ivoire—came to set out their arguments.

On 15 February in Brussels, a round table chaired by the MEP Joseph Daul, chairman of the European Parliament Committee on Agriculture and Rural Development, was attended by four ministers from Cameroon and Côte d'Ivoire. The event was a great premier. But it must



be said that access to the European market is a big issue. Banana accounts for 6% of Cameroon's exports (not counting oil revenue). The banana sector is also the largest private employer in the country. Côte d'Ivoire talks in terms of several hundred thousand people benefiting from the direct or indirect effects of this production and export business.

### A development tool

Suspecting that the Africans have considerable agricultural potential, real capacity to increase exports and good competitiveness, most of the other suppliers of the European market would like them to be either bounded by a strict quota or for the difference between the customs tariff applied to bananas from third countries and to those from ACP countries to be as low as possible—zero if possible.

Refuting these arguments one by one, the authorities in both countries showed that beyond questions of the liberalisation of trade that the dossier brings up, banana should be considered as a development tool. With longstanding relations between the ACP states and the EU and reminding that the ACP countries have always backed the EU when CMO banana was attacked, they now wish to be heard and, if possible, listened to.

### 2006 and then 2008

With a report by auditing consultants to back their statements, they support the demand made by the ACP group for a customs tariff of 275 euros per tonne. Furthermore, the Cameroonian Minister of Trade did not rule out the possibility of postponing the decision until 2008, the date of the end of the ACP waiver. An appropriate quota regime might be suitable. Africa stated that it was in any case open to discussions with both Latin American and community producers.

The two African states must now ensure the recognition of the distinctive features of their banana sectors and the role of powerful driving force for development that they attribute to banana. Joseph Daul agrees with this. He gave hope to producers, assuring them of his support. He said that he much appreciated the social cohesion argument and the fact that bananas kept the population in rural areas. He requested that Africa should not be destabilised for some 550 000 tonnes of bananas.

The next meeting will be held in Geneva in the weeks to come and we shall doubtless see Cameroon and Côte d'Ivoire side by side with the EU, even if the aim is to obtain more than the European proposal ■

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### The ACP waiver

It is essential for ACP producers that the negotiations starting in Geneva and Brussels should reach a satisfactory conclusion. The preferences that ACP countries benefit from by virtue of the Cotonou Agreement are an exemption from the most-favoured nation rule in the form of a waiver renewed until 31 December 2007 by the Ministerial Conference in Doha. For banana, the waiver awarded involves the undertaking by the EU to switch to a tariff-only system on 1 January 2006. The destiny of the ACP countries is therefore not entirely in their hands. Even if a compromise is reached for the short term (1 January 2006), the question of 2008 remains in the background! The EU thinks that it can get through this new difficulty and award fresh advantages by setting up EPAs from 2008. This is doubtless not precisely what is forecast by Latin American producers.