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
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1. BACKGROUND

Following successive rulings from the WTO, certain aspects of the Community’s banana import regime (Council Regulation (EEC) No 404/93, as amended in 1998 by Regulation (EC) No 1637/98) have been found not to be in conformity with the WTO.

Following the latest WTO ruling in 1999 the Commission had extensive contacts with interested parties with a view to putting forward a proposal which would be generally accepted as resolving this dispute. The Commission has provided the Council with a succession of documents on this matter the most recent being a Communication in July 2000.

Following contacts with interested parties the Commission put forward its proposal in November 1999 (COM (1999) 582 final) for the modification of the existing import regime for bananas based on a ‘tariff only’ system after a transitional period during which a tariff quota system would apply, with preferential tariff access for ACP countries. A ‘tariff only’ system implies negotiations under Article XXVIII GATT and therefore, the Commission put forward a proposal for a mandate for such negotiations (SEC(1999) 1820). A ‘tariff only’ system should be introduced by 1 January 2006 at the latest.

Under the proposed transitional system, there would be three tariff quotas:

– Quota ‘A’ which would maintain both the current GATT bound quota of 2.2 million tonnes and the tariff rate of EUR 75/tonne,

– Quota ‘B’ an autonomous quota of 353 000 tonnes also at a tariff rate of EUR 75/tonne,

– Quota ‘C’ a new third autonomous quota of 850 000 tonnes.

All three quotas would be open to all suppliers.

ACP bananas would have a tariff preference of EUR 275/t both under and outside of the tariff quotas (effectively they would enter at zero in quotas ‘A’ and ‘B’. They would also enter at zero in quota ‘C’ provided that the tariff within the quota did not exceed EUR 275/tonne).


1 COM(2000) 431 final of 5.7.2000 ‘Communication from the Commission to the Council on the consultations undertaken by the Commission with the aim of resolving the banana dispute’.

Previous documents were:
As regards the management of quotas ‘A’ and ‘B’ and ‘C’, the Commission’s proposal indicates that they can be managed through the Commission implementing regulation using traditional/newcomer and/or other methods.

The Commission indicated in its explanatory memorandum that the preferred option for managing the TRQ during the transitional phase was a system of license distribution based on a historical reference period. The Commission further indicated that a historical system could be adopted only if a mutually satisfactory solution was reached, respecting EC and international obligations and that the Commission would continue discussions with interested parties during the period when the Council and the Parliament examine the proposal. Parliament has not yet given its formal opinion on the proposal although it has adopted a report containing various proposed amendments.\(^2\)

At the 11 July 2000 Council the Commission presented its Communication on the further consultations it had undertaken in order to resolve the banana dispute. In that document the Commission detailed the steps it had taken in order to reach a compromise, notably on a system based on historical references. These included the Commission’s own suggestion based on historical references, consideration of the so-called ‘Caribbean’ proposal and finally the allocation of licences to so-called ‘primary operators’ (ie a redefinition of which operators would have access to quotas). As US operators fall under this definition, their licence allocation would also substantially increase. This solution was not accepted by the US and certain Latin American countries.

After several months of intensive contacts with the discussion’s on historical references getting nowhere, the Commission concluded in its July Communication that ‘Since the negotiations on a method of managing tariff quotas on a historical basis have reached an impasse, the Commission will conclude its examination of the ‘first come, first served’ method as soon as possible, in consultation with interested third parties, in order to seek a solution to the administrative and technical problems inherent in such a method’.

As explained in the July Communication, the Commission explored with the US a historical reference system in which only so-called primary importers would qualify. The US position remains unchanged. We therefore, consider that the negotiation on historical references remains at an impasse.

Following presentation of the July Communication to Council the Council asked the Commission

‘...to examine the possibility of managing the market using a quota system based on ‘first come, first served’. It asked the Commission to report back after it had investigated the possible solutions, including the tariff solution and its implications.’

This Communication responds to that request.

\(^2\) Text adopted on 13.4.2000 (PE289.456).
2. **FIRST COME, FIRST SERVED (FCFS)**

2.1. **Why FCFS**

Since there remains an impasse on the discussions on a system based on historical references, other systems should be considered. In its November 1999 proposal the Commission indicated that within the proposed transitional phase to a ‘Tariff Only’ system several methods could be adopted to manage quotas, one of which was the ‘FCFS’ system. In addition, as outlined in its July Communication, the US Trade Representatives Office (USTR) proposed a version of the FCFS system involving a commitment to deliver bananas to the EU and very short sub-quota periods.

A FCFS system has several positive characteristics: it is recognised as a valid instrument for quota management following panel rulings on the EU banana regime; it is a straightforward, transparent and flexible way of administering quotas with no special management tools (e.g. licence allocation or definition of operator); and the current distinction between traditional and newcomers would disappear.

However, as has been previously reported to Council in earlier Communications, there are several aspects of the banana market which require specific solutions. These are principally that bananas are perishable goods and therefore, must be marketed within a certain timeframe which includes a delicate balance between the travelling time from areas of production to the EU and the ripening period on arrival. Secondly, there may be technical difficulties in view of the large number of EU ports, ships arriving (boats are the main means of transport used), and no on-line customs network.

Informal consultations with a wide range of interested parties have established that a viable alternative to a system based on “historic references” would be: the “First Come First Served System (FCFS)”, tailored to deal with the specific challenge of ensuring the regular import throughout the year of a perishable product like bananas.

2.2. **The essential elements of a FCFS system for bananas within a European context**

The Commission has examined the ways in which a FCFS system can be adapted to reduce any inconvenience and provide equal access to suppliers of the Community banana import market (Annex 1). This Annex has been prepared as a result of discussions at a technical level including documents prepared by the Commission services and circulated to Member States representatives within the Customs Code and Banana Management Committees.

In preparing the system set out in Annex 1 the Commission has considered the main elements outlined in the USTR proposal.

The main elements include a pre-allocation procedure based on operators declaring their intention to import a specified quantity. This commitment should be substantial. Since the pre-allocation will be decided when vessels are a sailing distance from Europe there would be no discrimination against the countries which are further away (e.g. Ecuador). The problems of possible congestion at ports which could occur under a FCFS system would be resolved by a sub-quota (‘windows’) system. The declarations would be linked to the vessel carrying the bananas, the cargo and the release into free circulation of the goods. In order to deter speculation, there would be the need for the bananas to be committed to the vessel before the declaration of intent to import is submitted and the lodging of a sufficiently high security for
this purpose. This security would only be released when the total quantity requested for import with the benefit of tariff quotas has been controlled by European Customs.

2.3. Evaluation

The initial evaluation of the system has involved a number of informal consultations. This initial evaluation is made within the context of the Commission’s proposal for a transitional tariff rate quota system leading to a 'tariff only' system.

2.3.1. Technical discussions

During August and early September consultations were held with a representative number of operators with an economic interest in importing bananas into the EU. These consultations centred on the viability of a system with the features outlined by the US and on an appraisal of the impact of applying such a method to banana imports within a European context. In particular, it was necessary to devise workable arrangements taking account of the absence of an on-line system in the EU and of our specific customs procedures. These discussions also included possible amendments to overcome any administrative difficulties, which were identified, and to minimise any undesirable effects which could occur. There is also the need to ensure equal and non-discriminatory access to the EU market.

In addition, the Commission services held comparable technical discussions with Member States representatives in two fora: the Banana Management Committee (13 September 2000) and the Customs Code Committee (18 September 2000).

During discussions with operators some concern was expressed that a FCFS system would strengthen the position of the larger operators who are better able to determine shipping arrangements to the detriment of the small and medium-sized operators. The majority of operators would still prefer a system based on historical references.

The technical discussions indicated that a FCFS system tailored to bananas was administratively feasible. Implementation would require additional consideration to solve certain technical and practical problems that have been identified.

2.3.2. Other relevant contacts

Although discussions of the technical aspects were confined to meetings with technical experts, the Commission has also had discussions in the European Parliament since the July Council meeting, without however specific examination of the FCFS method.

Certain third countries have also taken contact with the Commission in order to have a general discussion. There was no discussion with those parties of the specificities of the system as it would apply to bananas, because such questions relate to technical rather than political aspects. However, while the general preference for a quota system with licences distributed on the basis of traditional trade remained, none questioned the WTO consistency of a FCFS system.

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The precise details of a comprehensive tailored FCFS system, which would cover all likely circumstances would be set out in the detailed implementing rules which would be established by Commission implementing legislation. Nevertheless, it is clear that, to be consistent with European law and practise, the complete system would need to contain general provisions for dealing with unforeseen circumstances or exceptional conditions which might arise when an operator is trying in good faith to import goods into the European Union.
2.3.3. **WTO considerations**

FCFS is generally recognised as a WTO compatible system for the management of tariff quotas. It was also specifically referred to as a WTO compatible quota allocation system in the Ecuador panel report under Article 21.5 of the DSU (Dispute Settlement Understanding).

As stated in section 2.1 given that there are several aspects of the banana market which require specific solutions, a FCFS system requires certain adaptations to suit those aspects. The Commission considers that the above described FCFS system is WTO compatible.

The FCFS system proposed by the Commission also overcomes the difficulty encountered in the past with respect to trade in licenses. In fact, in the absence of a paper trade the distribution among operators of the ‘quota rent’ coincides with the physical market access of bananas and of suppliers of bananas into the EC.

2.3.4. **Budget considerations**

The November 1999 Commission proposal (see Annex 2), which includes reference to a quota management system based on the FCFS method, already details budgetary implications. These were estimated at 77 MEUR due notably to expanded volumes of imports due to the abolition of any country allocation and the fact that the proposed ‘C’ quota would be fully utilised because it will be open to non-ACP suppliers. The effect of an increase in imports would depress prices and consequently lead to an increase in compensatory aid payments. With an increase of the level of imports the tariff receipts in the form of traditional own resources to the general budget will be offset against other revenue. As any regular revenue, they cannot be earmarked for specific expenditure.

Together with the other elements of the Commission proposal of 11 November 1999, “FCFS” would imply additional expenditure at the upper end of the range of possible costs which were considered when the Commission finalised its financial estimate (77 MEUR additional expenditure annually).

2.3.5. **Effects on community producers and ACP**

The implementation of a first come, first served system would have no direct impact on Community producers. Indirectly, insofar as the transitional system facilitates increased imports, prices can be expected to decrease somewhat, and compensatory payments to Community producers will therefore increase.

Concerning the ACP countries, it is clear that they prefer to maintain a quota system as long as possible. Given the impasse in discussions on a licence system based on historic trade, the FCFS system is envisaged also with their interests in mind. In other words, while it is not ideal it is the best alternative in terms of ACP interests for a transitional system. The increase foreseen in the tariff preference in the third quota (see section 4.1) is also in the interests of the ACP.

3. **‘TARIFF ONLY’ - GATT ARTICLE XXVIII NEGOTIATIONS**

3.1. **Background**

The Commission proposal for a Council regulation to modify the common organisation of the market of bananas foresees a modification of the existing import regime, based on a flat tariff
after a transitional period during which a tariff quota system should apply. If however, no feasible administrative system to manage a TRQ can be found, the Commission will not be able to maintain its proposal for a transitional regime.

The Council asked for further analysis of this aspect of the Commission proposal. The objective of this section is to clarify the procedure to be followed in the Article XXVIII negotiations.

3.2. **Procedural aspects**

The EC reserved its Article XXVIII: 5 rights to modify its WTO Schedule at any time during a three year period (the current reservation runs until end 2002). Article XXVIII enables a Member to modify or withdraw a concession, provided that it does not do so before negotiating with principal suppliers and holders of initial negotiating rights (INRs) and consulting with substantial suppliers. The Member seeking modification or withdrawal is expected to give compensatory trade concessions on other products. If agreement is not reached, the Member may, nevertheless, modify or withdraw its concession, but affected contracting parties have the right to withdraw substantially equivalent concessions initially negotiated with the Member making the changes (i.e. where the EC holds INRs in their schedules). There are no time limits regarding when negotiations invoked under Article XXVIII:5 are to begin or be concluded.

Article XXVIII does not interfere with the MFN requirements of Article I. Thus, both concessions offered by the Member making the changes and equivalent trade concessions on other products withdrawn by INR holders, principal suppliers and substantial suppliers have to be implemented on a MFN basis.

When the EC notifies its intention to invoke Article XXVIII, it should identify the Members that have INRs. Members that consider themselves to have principal supplier or substantial interests should claim their rights within 90 days of the notification. Principal suppliers and substantial suppliers (by convention at least 10% share of MFN trade) would be identified when the EC modifies or withdraws its concession on the basis of trade during the 3-year reference period.

If a contracting party involved in an Article XXVIII negotiation considers that the Member intending to withdraw or modify a concession is not offering adequate compensation to maintain a general level of reciprocal and mutually advantageous concessions not less favourable to trade, it can withdraw substantially equivalent concessions initially negotiated with the Member making the changes or refer the matter to a panel for arbitration.

3.3. **The level of tariff and its implications for compensation**

The Commission’s intention is, on the basis of the most up-to-date information, to establish a level of tariff which would provide a level of protection and hence of trade which is as close as possible to that provided by the system of tariff quotas. Thus, the balance of the market would be maintained and suppliers would not suffer any loss of trading prospects.

3.4. **Effects on the budget**

Given that the objective of the negotiations would be to avoid a change in import volumes, in principle no impact on EC prices or on the cost to the regime would be envisaged beyond that indicated for the transitional system. However, EC prices would inevitably follow developments in world prices, and would thus be less predictable. On the basis of the present
system of compensatory aid for Community producers, every 1 EUR fluctuation in the level of average market prices involves a change in expenditure on compensatory aids of about 0.8 MEUR.

A tariff only regime providing a level of protection close to that of the tariff quota system would generate additional import duty receipts for the Community budget equal to the difference between the tariff quota and tariff only levels, thus reducing Member States budget contributions. Such additional receipts, however, would not increase the total resources available to finance expenditure.

4. OTHER CONSIDERATIONS

4.1. Tariff preference

The Commission’s November 1999 proposal includes a tariff preference of EUR 275 per tonne for imports originating in ACP countries both under and outside of the tariff quotas.

In that proposal an alternative method was indicated as a possibility for the management of quota ‘C’. It is now proposed that all three quotas should managed in the same way in the interest of the WTO consistency. In the light of this change and of market developments, it is proposed that the level of tariff in this quota and the level of tariff preference should initially be set at EUR 300/t, the level proposed by the European Parliament.

The Commission considers that this level of preference will protect ACP interests without involving a level of tariff which would be prohibitive. However, in case this assessment, which may be contested by the suppliers from Latin America, proves to be wrong, the Commission should be given the power to reduce this tariff during the year should this prove to be necessary.

4.2. Revision of Commission proposal

For this FCFS system (see Annex 1) to be implemented the following modifications to the Commission proposal of 10.11.1999 (COM(1999) 582 final) would be necessary:

i) amendment of Article 18(3) – the reference to the tender procedure for the fixing of the duty envisaged for quota ‘C’ would be replaced by the fixing of a maximum tariff of EUR 300/t;

ii) amendment of Article 18(4), in order to increase from EUR 275/t to EUR 300/t the tariff preference granted to the imports originating in the ACP countries.

iii) the inclusion of a provision enabling the Commission, according to Management Committee procedures, to reduce the maximum tariff in quota ‘C’.

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The impact of this system on ACP imports within the ‘C’ quota cannot be predicted accurately in advance. To the extent that the least competitive traditional ACP producers may be adversely affected by the new system, the need for special arrangements could be reviewed.
5. **CONCLUSIONS**

The Commission continues to consider that the most appropriate solution to the banana dispute is a system of tariff quotas during a transitional period followed by a flat tariff. In view of the considerations explained in this Communication, it considers that all three tariff quotas should be managed on the basis of first come first served as outlined in Annex 1, subject to any fine-tuning arising from consultations with our trading partners, and that the level of tariff in the third tariff quota should be set at a maximum level of EUR 300, subject to the possibility of an abatement to ensure that while ACP suppliers receive an appropriate level of protection, this tariff quota is not reserved exclusively for them.

This solution requires the amendments to its proposal COM(1999) 582 set out in paragraph 4.2 above. The Commission calls upon the European Parliament to give its opinion on the proposal, including the amendments, as soon as possible, and upon the Council on this basis to adopt it immediately thereafter, and to mandate the Commission to start GATT Article XXVIII negotiations in time to establish a flat tariff system by 1 January 2006.

Subsequently the Commission will present in an expeditious manner the implementing regulation necessary to put in place this system of management of a TRQ system on a transitional basis, until 1 January 2006.
ANNEX 1

Essential elements of a new management system for tariff quotas for bananas

The services of the Commission received an informal initiative to reconcile the diverging views as to how to resolve the dispute about EU imports of bananas. The USTR indicated that a modified version of First Come First Served (FCFS) was in their view compatible with WTO rules. Therefore, subject to verification of a draft final legal text, a modified version of FCFS could be the basis for a settlement of the dispute with the US.

Informal consultations with a wide range of interested parties have established that a viable alternative to a system based on “historic references” would be: the “First Come First Served System (FCFS)”, tailored to deal with the specific challenge of ensuring the regular import throughout the year of a perishable product like bananas. This system would respect the following principles.

Unless otherwise specified, the import arrangements would be the same as those set out in the Commission proposal COM(1999) 582 of 10.11.1999. The elements specific to the system for bananas are in italics.

The essential elements are:

1. QUOTAS

1.1. The three Tariff quotas (“A” – 2.2 million tonnes, “B” – 0.353 million tonnes and “C” – 0.850 million tonnes would be managed on a fortnightly or weekly basis (sub-quotas). For practical reasons, quotas “A” & “B” would be administered in all respects as a single quota. Quota “C” would be handled in the same way but separately.

1.2. For the first two quotas (“A” & “B”), the in-quota duty will be EUR 75/t. For the third quota “C”, the in-quota duty would be EUR 300*/t.

1.3. All three quotas would be open to all bananas, irrespective of their origin.

1.4. Bananas from all ACP origins would have a maximum preference of EUR 300*/t. This preference would apply to the duty of all 3 quotas and, to out-of-quota imports.

2. MANAGING OF THE SUB-QUOTAS

2.1. At the earliest, a few days (e.g. the previous Monday) before the sub-quota period (called the window) importers would be able to file an “Import request with the benefit of tariff quotas ” with the competent authority of the Member State in which the place of first arrival (e.g. ports) is situated. The order of priority for access to the tariff quotas would be established as a function of the date of the presentation of the import request. All the “import requests” presented on the same day would be treated together in the two days following their presentation. The Commission services would communicate without delay the results to Member States. The unused quantities within a sub-quota would be transferred to a later sub-quota period.
2.2. This document should contain the following elements:

- Import window (sub-quota period) number, volume - including an unambiguous identification of the consignment of bananas in question e.g. vessel, importer, “consignment”, port (from a specified list) & expected arrival date. (Country of origin). Confirmation that the security had been lodged.

- For any “window”(sub-quota period), only one application would be possible in respect of a specific “consignment” of bananas i.e. this would require an operator to choose which sub-quota (A&B or C) he would apply for in respect of a particular consignment. N.B. This would neither preclude a separate application for each consignment of merchandise carried by the same vessel for the same window (sub-quota period) nor preclude the re-use of bananas, which had not been imported forming the basis of an application for a subsequent window (sub-quota period).

2.3. If the volumes notified for a specific sub-quota were to exceed the available quantity, a reduction coefficient (established pro-rata) would be communicated before the “window”(sub-quota period) was open i.e. if the quantity available in a sub-quota, of, say, 90 is over-subscribed because requests total, say, 100 then the reduction coefficient to be applied for each application for this sub-quota would be 10%. Intending importers would be notified, before the “window”(sub-quota period), of the quantity of bananas which they would be able to import with the benefit of tariff quotas.

2.4. Quantities not used in one “window”(sub-quota period) could be made available in subsequent windows(sub-quota period).

2.5. Bananas could be imported at any time during the period “window”(sub-quota period) on the appropriate quota import terms. However, failure to present for Customs control the totality of the quantity initially requested for import with the benefit of tariff quotas would entail at least the following minimum penalties: the forfeit of the allocation of a quantity with the benefit of tariff quotas and, the loss of the security lodged.

3. Security

3.1. At the suggestion of certain operators the amount of the security required would be relatively high. For example the security could be set at 200 EUR/t or more for the quantities for which access with the benefit of tariff quotas was requested.

3.2. The security lodged would only be released after:

it had been verified that the conditions for import set out in 2.2. had been respected, notably that:

- the total volume requested had been presented for Customs control at the prescribed port, during the “window”(sub-quota period); and

- the quantity for which access with the benefit of tariff quotas had been granted had entered into free circulation within the Community.
ANNEX 2

(N.B. Fixing the duty at the maximum level of EUR 300/t, on the basis of the assumptions in the 1999 financial statement, would result in additional (gross) receipts of around EUR 2m per year.)

COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 19.11.1999

COM(1999)582 final/ 2

99/0235 (CNS)

ADDENDUM

Au document COM(1999) 582 final

du 10.11.1999. Fiche financière

Proposal for a

COUNCIL REGULATION

amending Regulation (EEC) N° 404/93 on the common organisation

of the market in bananas

(presented by the Commission)
# FINANCIAL STATEMENT

1. **BUDGET HEADING:** B1-1508  
   **APPROPRIATIONS:** EUR 267 million (LA)

2. **TITLE:**  

3. **LEGAL BASIS:** Article 37 of the Treaty

4. **AIMS:**  
   To amend the system of banana imports.

5. **FINANCIAL IMPLICATIONS**

<table>
<thead>
<tr>
<th>PERIOD OF 12 MONTHS</th>
<th>CURRENT FINANCIAL YEAR [2000]</th>
<th>FOLLOWING FINANCIAL YEAR [2001]</th>
</tr>
</thead>
<tbody>
<tr>
<td>(EUR million)</td>
<td>(EUR million)</td>
<td>(EUR million)</td>
</tr>
</tbody>
</table>

5.0 **EXPENDITURE**  
   - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION)  
   - NATIONAL AUTHORITIES  
   - OTHER  
   
   **5.0.1 ESTIMATED EXPENDITURE**  
<table>
<thead>
<tr>
<th>2002</th>
<th>2003</th>
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<th>2005</th>
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<tr>
<td>76</td>
<td>76</td>
<td>77</td>
<td>77</td>
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</table>

5.1 **REVENUE**  
   - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)  
   - NATIONAL  
   
   **5.1.1 ESTIMATED REVENUE**  
<table>
<thead>
<tr>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<tbody>
<tr>
<td>30</td>
<td>15</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

5.2 **METHOD OF CALCULATION:**  
   See annex.

6.0 **CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?** YES / NO

6.1 **CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?** YES / NO

6.2 **WILL A SUPPLEMENTARY BUDGET BE NECESSARY?** YES / NO

6.3 **WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?** YES / NO

**OBSERVATIONS:**

The calculations assume that the transitional system is applied. A figure cannot be put at this stage on the impact of a "tariff only" system.

It should also be noted that the figure of EUR 77 million could be reached even under the current system if the ACP countries increase their production and reach the duty-free export quota currently available to them.

* The figure for 2000 is based on the grant of an advance equal to 70% of the new estimated compensatory aid in respect of the quantities marketed in 2000. Should the aid be set at 70% of the estimated aid before reform, the additional amount of expenditure estimated for 2000 would be carried over entirely to the 2001 budget year; total additional expenditure would then amount to EUR 107 million.
Bananas

Calculation of the proposal's financial implications

<table>
<thead>
<tr>
<th>Calculation data</th>
<th>Normal year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. The Union's supply balance in bananas</strong></td>
<td></td>
</tr>
<tr>
<td>a. EU quota</td>
<td>3 934 000</td>
</tr>
<tr>
<td>volume used</td>
<td>854 000</td>
</tr>
<tr>
<td>balance unused</td>
<td>0</td>
</tr>
<tr>
<td>b. Bound quota (A)</td>
<td>2 200 000</td>
</tr>
<tr>
<td>volume available</td>
<td>2 553 000</td>
</tr>
<tr>
<td>average</td>
<td>2 420 000</td>
</tr>
<tr>
<td>volume used</td>
<td>2 420 000</td>
</tr>
<tr>
<td>balance unused</td>
<td>133 000</td>
</tr>
<tr>
<td>c. Autonomous quota (B)</td>
<td>353 000</td>
</tr>
<tr>
<td>volume used</td>
<td>2 420 000</td>
</tr>
<tr>
<td>balance unused</td>
<td>133 000</td>
</tr>
<tr>
<td>d. Traditional ACP bananas (C)</td>
<td>850 000</td>
</tr>
<tr>
<td>volume used</td>
<td>660 000</td>
</tr>
<tr>
<td>balance unused</td>
<td>190 000</td>
</tr>
<tr>
<td><strong>Additional total available</strong></td>
<td>323 000</td>
</tr>
</tbody>
</table>

**2. Utilisation of available quantities**

| a. Total quantity added | t 323 000 |
| b. Increase in supply | % 8,2% |
| c. Inverse elasticity of demand | -1,54 |
| d. Resulting reduction in price | % -12,6% |
| e. Average cif prices recorded | EUR/t 528,0 |
| f. Unit reduction in price | EUR/t -66,7 |
| g. New price | EUR/t 461,3 |
| h. Additional reduction by virtue of increased competition | % -5% |
| i. Additional unit reduction in price | EUR/t -23,1 |
| j. Total unit reduction | EUR/t -89,8 |
| k. Total fall in price | % -17,0% |

**3. Total extra expenditure**

| EUR m | 77 |

**4. Revenue from customs duties**

a. Duties from quotas A and B | 75 | 10 |
b. Estimated duties from quota C | 20 |

**5. Total additional duties**

| EUR m | 30 |