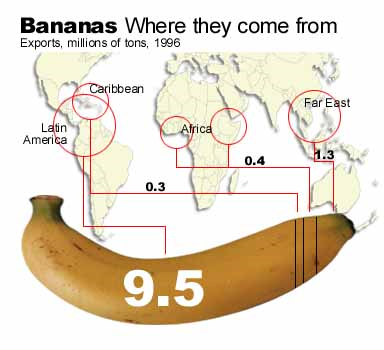
Banana Wars

The banana trade- who grows the most, who exports the most, who imports the most?

Biggest growers - The main places where bananas are grown are Latin America, the Caribbean, Africa and the Far East. Latin America (more towards Central America) grows the most. The main countries were in 2007 it was a tie between India, China, the Philippines, Brazil and Ecuador.

Biggest exporters – The last time it was measured, in 2006, Ecuador, Costa Rica, Philippines & Colombia made up 64% of the total world’s banana export, however 30% of that 64% came from Ecuador.

Biggest importers – The last time it was measured, as well in 2006, the EU, USA & Japan formed 70% of the total world’s banana import, 39% out of the 70% was the EU.

What were the Banana Wars and why did the USA got so upset?

There had been 6 years of happy trade of bananas between the EU and the USA and when it ended, that was the banana wars. The USA got angry because they said that the EU broke the free trade rules by giving special access to banana producers from the rich colonies of the Caribbean, within the European market. So, the EU broke the free trade rules by not being equally fair to everyone involved in banana trade.

What role did World Trade Organisation play in the ‘wars’?

The USA went to the WTO with complaints about how the EU broke the rules of free trade. When they went to complain, they won and this forced the WTO to change their rules and improve them; this was in 1997. When this happened, 2 import reforms were introduced in the years of 1999 and 2001; these reforms changed the trading methods.

What were the impacts of the Banana Wars on the UK & France?

Ther was a lot of trade competition between the US and EU markets because the US said that the free trade problem wasn’t yet solved so they took harsh consequences. They started charging import duties for cashmere clothes, french cheese, and other european items. This all resulted in people from the UK and France losing their jobs. Around 700 jobs were threatened for people living in the UK and a similar number of threatened jobs existed in France.

What part did ‘Trade Tariffs’ & ‘Trade Subsidies’ play in the Banana Wars?

To help African, Caribbean and Pacific countries (or ACP), in 2009, the EU said that they would charge trade import tariffs on other countries who produce bananas like the Latin American ones and so, by doing this the economical decrease of the ACP countries would be avoided.

The fair trade of bananas is sometimes considered a trade subsidy which is paid by the consumer countries (US, EU, etc). However, it isn’t something people should rely on much because this type of crops can become extinct from the producer region at any time.

It was said that the WTO replaced the GATT (General Agreement on Trade and Tariffs), in 1994.

What is the Lome Convention & what part did it play in the Banana Wars?

The Lome Convention is an agreement which started in the 70s and it compels the EU to encourage trade with its former colonies. Under the terms of this agreement, the EU claimed that they preferred to practice banana imports with the Caribbean.

<http://www.cbea.org/>

<http://www.guardian.co.uk/banana/0,2759,206252,00.html>