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Banana Producer-nations Anxious About 1993 European Economic Community Merger

by Deborah Tyroler

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On Oct. 10 during an interview with Notimex in Panama City, Rolando Gabriel, a consultant for the Union of Banana Exporting Countries (UPEB), said the 1993 merger of the European market is perceived as a potential "nightmare" for Latin American banana exporters. Gabriel was referring to the possibility that import quotas and other restrictions currently practiced by some European Economic Community (EEC) may become generalized throughout the Community in 1993. At present, 56% of bananas imported by the EEC derive from Latin America. World-wide banana consumption in 1987 totaled 7.621 million metric tons, and in 1990, 8.614 million MT. The highest consumption growth rate was recorded in Western Europe, from 2.996 million MT in 1987 to 3.821 million MT last year. Germany alone imported 717,000 MT in 1987, compared to 1.117 million MT in 1990. Eastern European imports of bananas rose from 2.996 million MT in 1987 to 3.821 million MT in 1990. Latin American export revenue from bananas totals about US\$1.5 billion per year, and at least 1 million persons are directly or indirectly dependent on the industry. Gabriel pointed out that the civil war in Yugoslavia has already affected short-term exports to Europe. Yugoslavian banana imports dropped from 36.4 MT in 1987 to 126,000 MT last year. On the same day in Guatemala, representatives from Colombia, Ecuador, Costa Rica, Nicaragua, Honduras, El Salvador, Venezuela and Panama were participating in a UPEB meeting on industry trends and perspectives. [Ecuador, the world's largest banana producer and exporter, was participating as observer.] According to UPEB spokespersons, Chiquita Brands, Standard Fruit and Del Monte Corporation continue to determine global market trends. The three transnationals control 60% of the world market. Chiquita Brands and Standard Fruit are buying up large tracts of land in Asia, and in Honduras, Colombia, and Venezuela. In Panama, Chiquita is in the process of purchasing a 10,000 ha. tract. The land in question was acquired by the government from the same company in 1974 during the so-called "banana wars" over plans to levy a tax on banana exports. In a communique released Oct. 12, UPEB member-nations said that if the EEC chooses to impose a temporary banana import restriction scheme, it must be based on norms set by the General Agreement on Tariffs and Trade (GATT). Participants at the Guatemala City meeting agreed to create a ministerial-level mission from UPEB members and Ecuador to deliver Latin American banana exporters' requests to the EEC, and to request support from the UN Economic Commission for Latin America and the Caribbean (ECLAC) in avoiding the contraction of European markets. [Basic data from Notimex, 10/10/91; ACAN-EFE, 10/12/91]

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