Bananas and Brexit

- Information and ideas presented by Alistair Smith, International Coordinator
- of Norwich-based NGO, Banana Link.

For more information and to sign up to our news bulletins : www.bananalink.org.uk

The UK's banana boom

Whatever scenario emerges for continued duty-free access for Caribbean and African bananas (inside or outside EPAs), it is important to recall some basic facts about the evolution of the UK banana market :

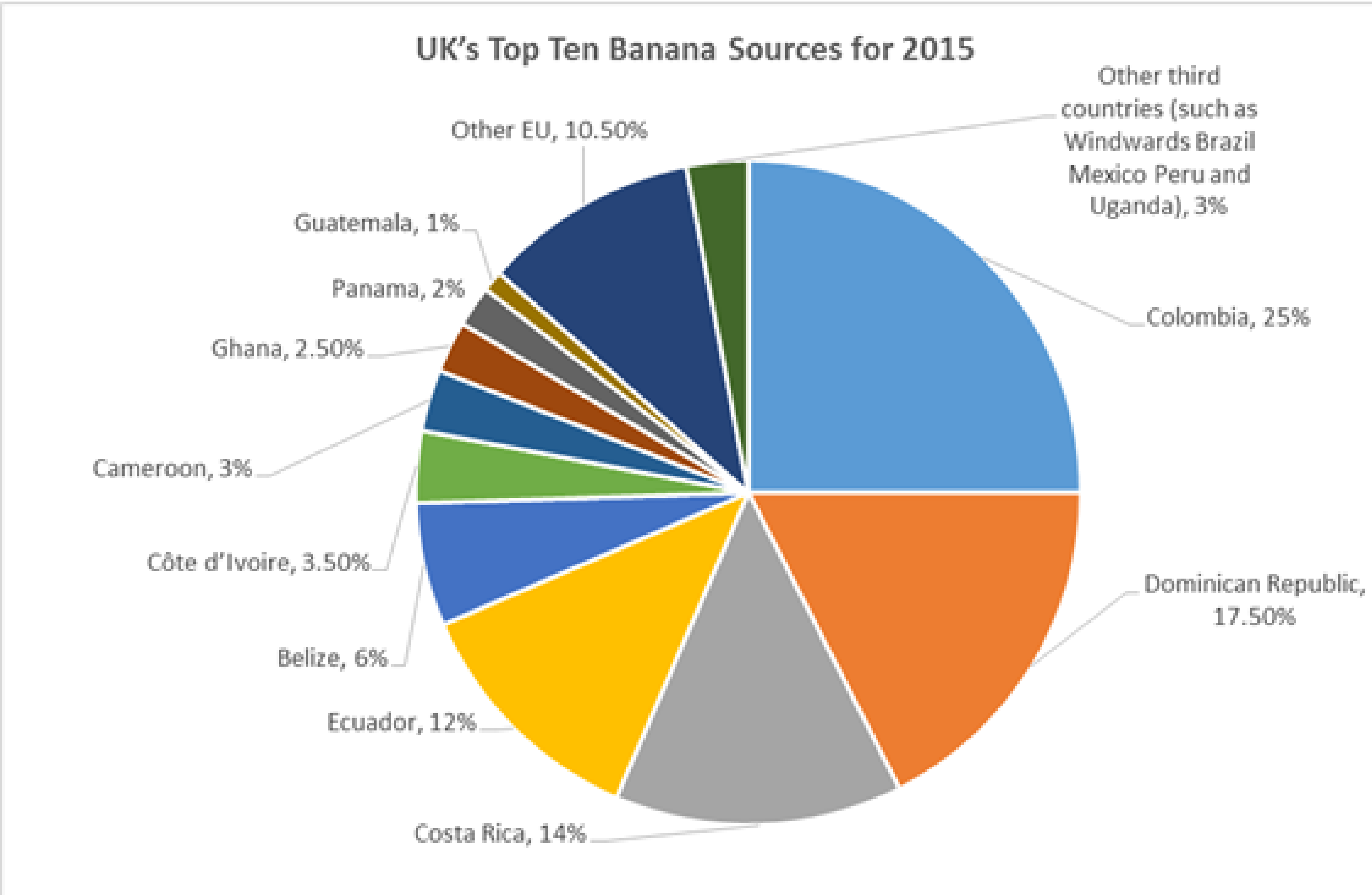
* Imports have tripled since the days when Windwards and Jamaica accounted for nearly 70 % of the UK's consumption (25 years ago).

* UK now rivals Germany in the total volume consumed; per capita consumption is much higher than Germany and second only to Sweden in the EU-28.

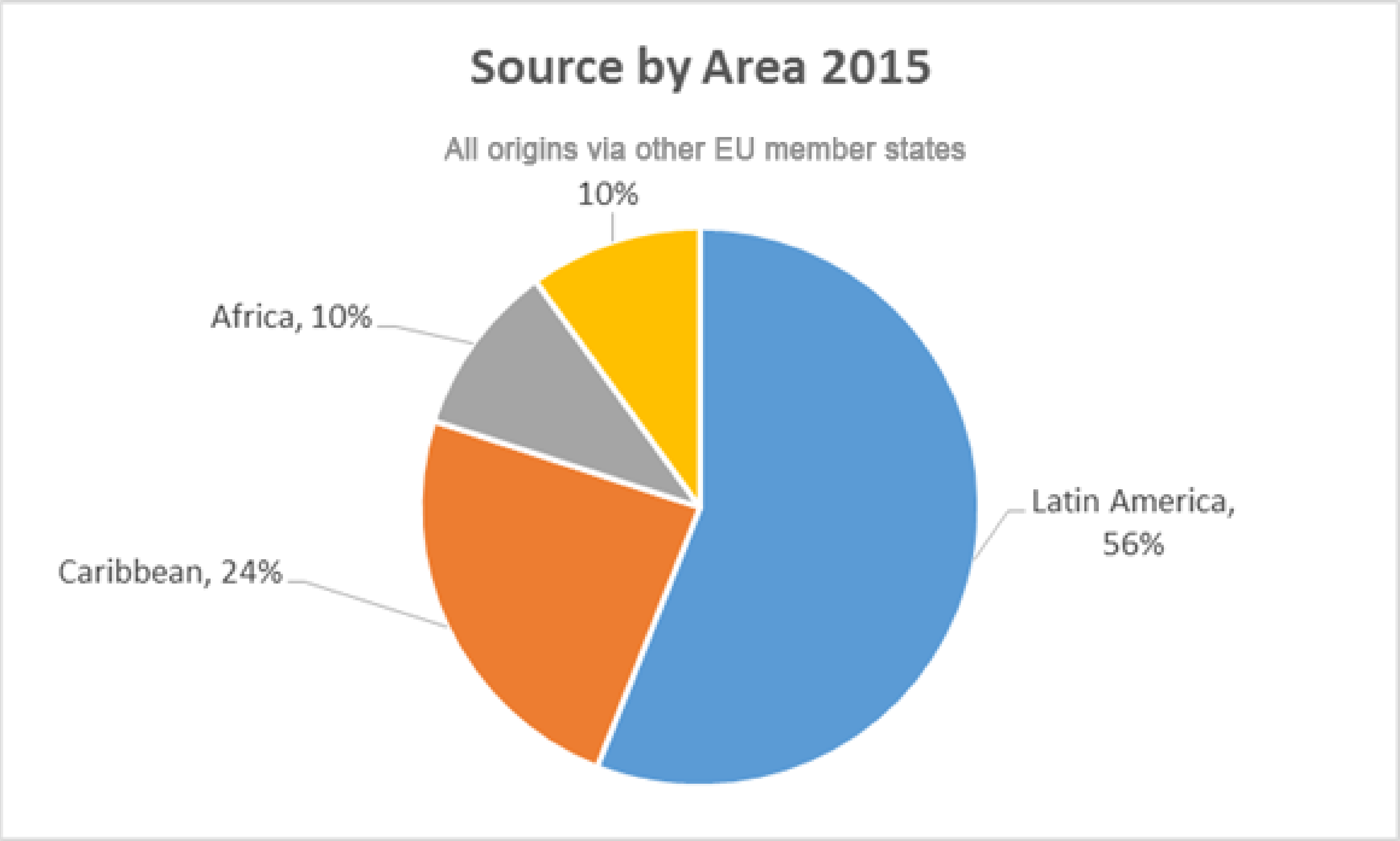
Current UK banana market

- Latin America now accounts for over 60 % of imports of over one million tonnes; ACP accounts for the remainder.
- Although Caribbean still accounts for around 25% of imports, the majority of these are from Dominican Republic, the major beneficiary of EPA/ACP duty-free access.
- Windwards and Jamaica volumes have almost completely collapsed following a series of devastating hurricanes and the arrival of black leaf-streak disease in the Windwards. Re-focus on the national and regional markets.
- The UK accounted for about 40 % of ACP bananas sold in the EU-28 in 2015.

UK banana imports in 2015



UK imports by region, 2015



Current EU banana framework

- The common EU MFN tariff has decreased year on year since the Geneva agreement in WTO of December 2009. It is currently at 117 Eur/tonne and will be reduced to 75 Eur/t by 2020 for all major origins (agreements made in FTAs with EU).
- There are no longer any volume restrictions on imports, other than through the safeguard clause (which puts high maximum thresholds on MFN imports).
- The Banana Accompanying Measures funded by the EU run until 2019/2020 after which there will be no more aid to the industry.

What could the UK do that is more interesting than the EU ?

- For small-scale Caribbean and African farmers, the UK could decide to allocate a preferential quota, and/or support for organic conversion.
- UK retailers could prioritise Fairtrade and Fairtrade organic purchases from small farmers in Caribbean and Africa.
- The UK government could legislate to ban below-cost selling, as happens currently in the banana market.
- The UK statistical services could gather differentiated import figures for Fairtrade and organic.

What could the UK do that is more interesting than the EU ?

To rebalance the unfair competition between bananas with high social and environmental externalities and bananas from other origins that respect high social and environmental standards, the UK could do what the EU is not able to do under treaty clauses : **direct the tariff income from bananas into a special fund** for supporting social and environmental improvements and for developing more diverse and sustainable banana production systems across all origins.

The worst-case scenario

- That a post-Brexit ideology of ‘free trade’ prevails without any consideration of social and environmental conditions of production or of the fairness of trading relationships between unequal partners.
- That the UK government chooses to de-link itself from the MFN tariff applied by the EU and allows imports from all origins in duty-free. This would be a recipe for undermining the current and proposed efforts for greater sustainability and equity in the industry.