

WTO CALLS FOR NEGOTIATIONS IN BANANA WAR

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BRUSSELS--World Trade Organisation chief Renato Ruggiero has appealed to the United States and the European Union to settle their dispute over banana imports through direct negotiations.

"We seek a solution to a problem firstly by mutual agreement and not by imposing rulings on either side," Ruggiero said. "I invite again both parties to renew their efforts in this direction."

The 134 members of the World Trade Organization's General Council met in special session in Brussels, after an urgent request from the European Union over its banana row with the United States.

Last week Washington imposed provisional 100 per cent tariffs on a range of European goods. The US says European import rules favour Caribbean banana growers at the expense of American producers in Latin America.

It's brought the two sides to the brink of a trade war.

The European Union has filed a formal complaint with the WTO accusing the Americans of flouting international trade rules.

The Europeans say the move could affect \$520 million worth of their exports. But the Americans say the EU is the one breaking the rules by favouring banana growers from former colonies in Africa and the Caribbean to the detriment of American interests in Latin America.

The bitterness of the banana row on both sides of the Atlantic has led to fears of an all out trade war.

Brussels and Washington are already at loggerheads on other trade issues, including beef and genetically modified food crops. The Europeans now want the WTO to give them leave to retaliate against the Americans.

The most the Europeans can hope for is to convince their WTO partners to join them in condemning the American move.

A resolution isn't expected until after WTO dispute panels have ruled.

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