

## WORDS

- **agree** = to say yes to something
- **citizen** = a person who lives in a country and has rights there
- **decade** = a period of ten years
- **depend on** = to need something
- **dispute** = quarrel, argument
- **economy** = a system that a country has for producing, buying and selling goods
- **get involved** = to get mixed up in
- **goods** = products
- **including** = together with, also
- **income** = here: the money a country gets for selling goods
- **increase** = to go up
- **independent** = free
- **instead of** = as an alternative
- **overseas** = another country that is across the ocean
- **place** = put
- **promise** = to say that you want to do something
- **reduce** = lower
- **supposed to** = thought to, believed to
- **tariff** = a tax on goods that go into or come out of a country
- **tax** = money that you must pay to the government for products you buy
- **therefore** = as a result
- **trade dispute** = two companies or countries argue about the buying and selling of goods.

The banana war is the longest running **trade dispute** in the world. The conflict centres on bananas that are imported to the European Union.

In the 1950s and 60s European colonies in Africa, the Caribbean and the Pacific region (known as ACP countries) became **independent**. In the 1970s the European Union started to let the Caribbean countries export bananas to European countries without putting **tariffs** on them. This was **supposed** to help these countries with their **economies**. Some of them only had bananas and other farming **goods** to export. On the other side the European Union **placed** a **tax** on bananas that came from other countries, **including** the large banana-producing countries of Central and South America, like Ecuador and Honduras. The ACP countries, **therefore**, were able bring cheaper bananas to Europe.

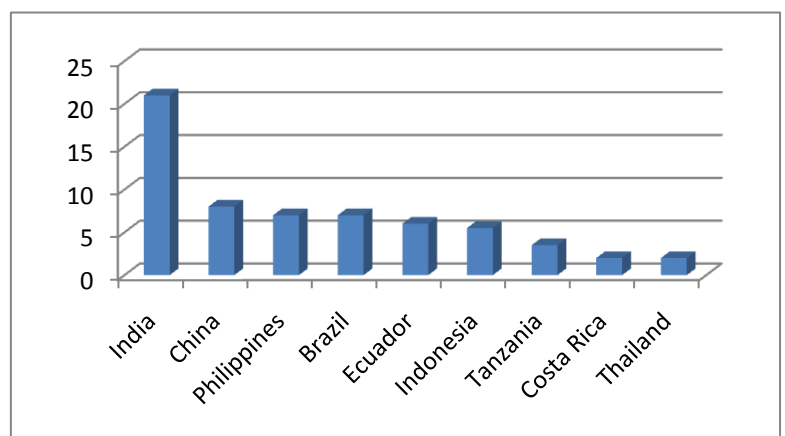
Over the past **decades** this has led to a growing **dispute** between Latin American countries and the European Union. The banana-exporting countries think it is unfair to put **tariffs** on their bananas and not on the products coming from the ACP countries. The United States also got **involved** in the conflict, because the big banana producers in South America are large American companies, like Del Monte or Dole.

After years of talks there finally seems to be an end to the banana war. The European Union has **agreed** to slowly **reduce** its **tariffs** on Latin American bananas. **Instead** of paying 176 Euros for a ton of bananas that are exported to the EU these countries will only have to pay 114 Euros per ton in the next years.

On the other side, The EU has **promised** to give ACP countries more money because they are afraid they will not sell so many bananas to Europe any more. As a result bananas imports from Latin American countries will **increase**. Bananas will get cheaper for EU **citizens**, probably by about 12 % over the next years.

The European banana market is the largest in the world. The EU imports almost 5.5 million tons of bananas every year. Most of them come from Latin American countries. These countries, like Ecuador, **depend** largely on bananas for their **income**. The European Union also has its own banana production. About 10% of all bananas sold in the EU come from Portugal, Spain, Cyprus, Greece and areas **overseas**.

**World banana production in millions of tons**



1. Answer the questions

Which countries are involved in the banana war? \_\_\_\_\_

\_\_\_\_\_

Who are the ACP countries? \_\_\_\_\_

\_\_\_\_\_

Why did the EU give these countries advantages in their banana exports? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Why have the South American countries been protesting? \_\_\_\_\_

\_\_\_\_\_

How and why is the United States involved? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

What does the new agreement look like? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

How will the new tariffs affect consumer prices in Europe? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Where does the European Union produce its own bananas? \_\_\_\_\_

\_\_\_\_\_



2. Explain in English

tariffs \_\_\_\_\_

ACP countries \_\_\_\_\_

overseas \_\_\_\_\_

citizen \_\_\_\_\_

reduce \_\_\_\_\_

trade dispute \_\_\_\_\_

3. True or False

	T	F
Some of the ACP countries were European colonies.		
The big Latin American banana producers think that the European Union acted unfairly towards them.		
According to the new agreement, the ACP countries will have to pay tariffs on bananas.		
Bananas will probably get more expensive for European consumers		
Latin American countries are afraid that they will not be able to export so many bananas to the European Union any more.		
The United States wants to help the ACP countries export bananas.		
The European Union gets most of its bananas from South America.		

4. Choose the correct answer!

1. The banana war is a trade dispute between
  - a. the United States and the European Union
  - b. the European Union and South American banana producers
  - c. the ACP countries and the South American banana producers
2. The European Union didn't put tariffs on bananas from ACP countries because
  - a. they were a part of the European Union
  - b. they produced cheaper bananas
  - c. they wanted to help the economies of these countries
3. According to the new agreement
  - a. the Latin American countries will pay less tariffs for banana exports
  - b. the ACP countries will not be allowed to export so many bananas to Europe
  - c. the European Union will give money to Latin American banana producers to make their bananas cheaper
4. The European Union gets most of their bananas from
  - a. Latin American countries
  - b. the ACP countries
  - c. their own countries



Key

True or False

	T	F
Some of the ACP countries were European colonies.	✓	
The big Latin American banana producers think that the European Union acted unfairly towards them	✓	
According to the new agreement ACP countries will have to pay tariffs on bananas.		✓
Bananas will probably get more expensive for European consumers		✓
Latin American countries are afraid that they will not be able to export so many bananas to the European Union any more.		✓
The United States wants to help the ACP countries export bananas.		✓
The European Union gets most of its bananas from South America.	✓	

Choose the correct answer

- 1 The banana war is a trade dispute between
  - a. the United States and the European Union
  - b. the European Union and South American banana producers**
  - c. the ACP countries and the South American banana producers
- 2 The European Union didn't put tariffs on bananas from ACP countries because
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- 3 According to the new agreement
  - a. the Latin American countries will pay less tariffs for banana exports**
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- 4 The European Union gets most of their bananas from
  - a. Latin American countries**
  - b. the ACP countries
  - c. their own countries