

EEC-IRAN NEGOTIATIONS OPENING STATEMENT BY MR FINN OLAV GUNDELACH

Brussels, 20 December 1976

Your Excellency, Mr Ambassador, /Ladies/, and Gentlemen,

It gives me great pleasure to welcome you to this opening session of negotiations for a framework agreement on economic and commercial cooperation between Iran and the European Communities.

I want to express my gratitude to Your Excellency for your own presence here, which demonstrates the great interest and importance attached by your Government to these negotiations. I am very pleased, my dear friend, that it is I who welcome you today, for you and I have spent a good deal of time together in discussions aimed at bringing today's meeting about.

I consider that the task on which we embark is of historic importance for both sides. We are going to create a new and special relationship between Iran and the Communities. We have of course been tied by a relationship to each other in the past. May I remind you that the old trade agreement which had been concluded between Iran and the Community in 1963 was the very first trade agreement which the Community ~~had~~ concluded with another country. The scope of that agreement was of course related to the possibilities and needs of that time. When, after being several times prolonged, it came to an end in 1973, circumstances had profoundly changed. By then it was clear that the future relationship between the Community and Iran should express the changed economic and political circumstances of both partners.

Your country has since then undergone a very ambitious

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programme of economic development, with the result that yours is now one of the fastest growing economies in the world. We observe with sympathy your declared intention so to apply your economic potential, based upon large natural resources, huge financial facilities and a skilful and ambitious populace as to bring your country to a comparable economic level and standard of living as is currently enjoyed by developed industrialised countries. It is, however, an enormous and difficult task; to succeed, your economic effort needs to be integrated into a steadily growing and improving international economic system. Moreover, you need partners in your progress, partners who have the same aspirations, partners with whom you have close historical, political and cultural relations, and who are for all these reasons strongly interested themselves in your development. The Community is a natural such partner.

The Community, too, has changed a good deal since we concluded our first agreement in 1963. We are no longer six, but nine European countries. Our common external economic policies have considerably developed: and the Community is increasingly taking common positions on political questions too. We have acquired a new personality in the world. We speak with one voice in international and worldwide negotiations such as the North-South Dialogue, where both your country and the Community play a prominent rôle; we are taking more and more common positions in the United Nations and its organisations. The Community is the world's biggest market for imports, on an increasingly favourable basis to developing countries, and it is the largest supplier in the world of industrial and technological goods and know-how. But the Community is largely dependent for its continuing prosperity on the smooth functioning of the world's trading and monetary system; it is dependent on energy and raw materials;

it is dependent on the export to other countries of transformed goods and services - in short, it cannot live alone. No one, no country can live alone in a more and more inter-dependent and interconnected world.

The question has been: how best to realise, in a partnership between equals, the potential which now exists between the Community and Iran. You and I have spent much time discussing just that, and I want now to give you some idea of the nature of the agreement which I am authorised on behalf of the Community to propose to you today.

An essential feature will be that no field and no sector which could be the object of economic and commercial cooperation will be excluded. It will be truly far-reaching. In the field of commercial cooperation, the agreement should be based on reciprocal most-favoured-nation treatment. We will endeavour to maintain or grant each other optimal trade facilities for products of importance to either side. We on our side will endeavour to find appropriate solutions to tariff problems arising in connection with Iranian exports to the Community, taking into account Iran's economic development and export interests and the economic situation of the relevant sectors of the Community. We should undertake to treat each other in a non-discriminatory manner as regards access to natural resources, raw materials, food and industrial products. We shall seek reciprocally to eliminate non-tariff barriers and distortions to competition. In short, we shall seek to increase and develop trade between us to the highest possible level.

In the field of economic cooperation, the possibilities are wide indeed. The aim of such cooperation would be primarily to foster the development of European and Iranian industries, to encourage industrial cooperation between the two partners, to

foster mutually advantageous investments, and to contribute generally to the economic and social well-being of the people of both sides. The flexible instrument of a Joint Committee will direct the operation of such economic cooperation on the basis of each side's wishes, to bring about such things as joint consultation on economic planning and investment, the creation of new industrial links or joint ventures, scientific and technological exchanges and even joint operations in third countries. The field is very wide.

Naturally, there is a very close relationship between the two aspects of the agreement.

One of the reasons why we think this agreement, if successfully negotiated, will be special, is that it will be designed to bring out in a particular way the marriage, if I may put it thus, between the two main parts of the agreement. Industrial cooperation will be tailored to the expansion of trade: and the solution of trade problems will be the subject of continuing consultation and discussion within the framework of the agreement.

We look, therefore, for great things to emerge from the negotiations on which we embark today, and to which our discussions over the past eighteen months, Your Excellency, have led. They will, I hope, lead us to the establishment of a new and special link between Iran and the Communities, a link which will reflect the political will and economic imperatives of both sides to strengthen and give form to the already close historical, political and economic relations between Europe and Iran.

I believe that ^{but} future relations should have the dynamic character which I have earlier described. Our agreement, an expression of our common will and common interest, should have the

flexibility necessary to assure the implementation of its objectives. Above all, it has to be durable, in order to offer the necessary security for our businessmen and economic operators to do their work, and to be a real expression of our political will to give a new dimension to future relations with Europe and Iran.

I want to end by thanking you personally for the interest you have shown in all that has led up to this first round of negotiations, and for the comprehension you have displayed for all the problems and difficulties - political, economic and legal - which necessarily occur in the preparation of such negotiations. I am grateful too to our Council of Ministers and through them the governments of our Member States, for displaying their political will in giving us a mandate to negotiate on the basis which you and I sketched out in our exploratory discussions.

We certainly do not underestimate the difficulties which may occur during these negotiations as they progress: but I am convinced that they will succeed. If there is a political will, without any doubt the means to succeed will be found.

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