

SPEECH BY SIR CHRISTOPHER SOAMES, VICE PRESIDENT OF THE COMMISSION OF THE EUROPEAN COMMUNITIES, AT THE FIRST MEETING OF THE EEC/INDIA JOINT COMMISSION - BRUSSELS, MONDAY 27 MAY 1974

Mr Minister, Your Excellencies, Ladies and Gentlemen,

It is with particular pleasure that I welcome you all to the first meeting of the Joint Commission established under the Commercial Cooperation Agreement between the European Economic Community and the Republic of India, for I am well aware that we are embarking together on a venture of historic significance. We are present at the beginning of a new venture in which great hopes reside. Its success will depend above all on mutual trust and on the continued readiness of each of us to respect the aspirations and needs of the other as conveyed through the Joint Commission. May I, on behalf of the Commission of the European Communities, assure you, Mr Minister, and your colleagues, that we will spare no effort to breathe life into the new organism and to turn it into the flexible and practical instrument which is needed if we are to fulfil the hopes that have been placed in it.

The Community's formal links with India are, of course, of long standing. In this field, as in so many others, India has been in the vanguard among developing nations. As far back as 1962, India was the first developing country to establish diplomatic relations with the Six. It was at the UNCTAD General Assembly in New Delhi in 1968 that the first seeds were sown of the Community's Generalised Scheme of Preferences. Since the introduction of this Scheme in 1971, India has been able to benefit substantially from the elimination or reduction of customs duties on the ever-widening range of finished and semi-finished industrial goods and processed agricultural products to which it applies. And we can also point with satisfaction to the conclusion of sectoral agreements on jute and coir products, textiles and cottage-industry goods.

But perhaps we should see the Joint Declaration of Intent, adopted by the Nine Member States at the conclusion of the enlargement negotiations in January 1972, as something of a transformation in the Community's relations with India and its Commonwealth neighbours. Certainly we in the Commission have backed in on it as the basis of a new relationship with the outside world. In practical terms, the first stage of its implementation included the extension of GSP to cover a number of products which we knew to be of great importance to India and the other Asian Commonwealth countries, and whose export could have been severely disrupted as a result of British accession to the Community. While the measures taken under Stage 1 of implementing the Joint Declaration of Intent covered a very significant proportion of India's exports to Europe, the Commission is well aware that its obligations under the Declaration do not stop there. We realise that other products of great interest to you, because of their particular importance to certain regions, could be adversely affected by British tariff adjustments. I can give you my assurance that the Community is aware of the importance of its market for India and will continue to seek not only remedies for possible dislocations of trade in this or future years, but also to improve the entire range of trade relations between India and the Community as a whole.

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We are confident that the Joint Commission being inaugurated today will be the principal instrument of this improvement. Its first meeting takes place under the shadow of an upheaval in the pricing of oil and the availability of raw materials. This, we know, creates difficulties of enormous magnitude for the economic development of India, which as a large importer of oil and raw materials is among the developing countries hardest hit by the recent price rises in these commodities. The Community, too, is feeling its effects. It would of course be idle to pretend that these difficulties can be dealt with either quickly or easily. But perhaps the Joint Commission can provide a useful forum in which we can discuss how best we can face up to them in cooperation in the longer terms.

For the short term, you will be aware of the Commission's proposal made in March for the setting up of a special fund for the countries worst affected by the energy crisis. We firmly hope that our initiative produces a positive response from other possible contributors so that the fund may come into being before the development plans of India and other countries similarly placed suffer a serious setback.

A more modest Community initiative, but one which we hope will bring its benefits to developing countries, is the provision of funds for a programme of trade promotion for exports. The Joint Commission will I hope give consideration to this to see how best India can take advantage of it to expand exports to the Community.

Looking at the development of relations between the Community and India in recent years - GSP, the sectoral agreements, the Joint Declaration of Intent and the Commercial Cooperation Agreement - it is certainly fair to say that this has been a period of forward movement. It will be the task of the Joint Commission to ensure that the momentum is not lost. We in the Commission will make every effort to contribute to the Joint Commission's work and to encourage acceptance of the practical measures it proposes. We want to see the mechanism we are inaugurating today become a truly useful instrument for extending and diversifying the economic and commercial links between India and the Community. The Commercial Cooperation Agreement with India is unlikely to be the only one of its kind for very long. So, quite apart from our common concerns here today we are also breaking new ground which could set important patterns for the future and for other countries.

Mr Minister, we have all been hearing a great deal in recent times about the crisis through which the Community is passing. Certainly 1973 was not an easy year, and difficulties will lie heavily on us in 1974. There are many reasons for this, and this is not the moment to elaborate on them. Suffice it to say that it was not perhaps surprising that in the first year of the enlarged Community, it was not sufficiently developed, equipped or coherent as a Community not to be gravely affected by the monetary and trade storms which blew with such ferocity upon the world. But I venture to suggest that there was one area in which Europe did register a success, and a most encouraging success, in the first year of its enlargement. I am sure it is true to say that in the last year the Community has become, and has been seen to become, more outward-looking and more open. It has genuinely widened its horizons, building on the Joint Declaration of Intent. It devotes far more of its time now to discussing its relationship, as a Community, with third countries. In the developing world its efforts are no longer concentrated almost exclusively on those countries in Africa with which the original Six had traditional links. Many countries of Asia stand to be among the first to benefit from this change not just of emphasis but of attitude, and it is fitting that it is in our relationship with your country, Mr Minister, that this should first be highlighted. It is therefore with the greatest pleasure that we greet you here today.