

TALSMANDENS GRUPPE  
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**INFORMATION  
INFORMATORISCHE AUFZEICHNUNG  
INFORMATION MEMO**

**NOTE D'INFORMATION  
NOTA D'INFORMAZIONE  
TER DOCUMENTIE**

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**EUROPEAN AGENCY FOR TRADE COOPERATION WITH THE DEVELOPING COUNTRIES**

The Commission has presented a proposal to the Council for a European Agency for Trade Cooperation with the Developing Countries.

The proposed Agency's task will be to help improve utilisation of the generalised system of preferences and to undertake trade promotion campaigns in favour of the developing countries. It has been necessary to set up the Agency not only because Community action to benefit developing countries is expanding but also because the new tasks are of an operational and commercial nature and hence not easily compatible with civil service administrative methods.

The Agency, which will have its own legal personality and financial autonomy under Commission supervision, will work in close contact with the private sector, using the appropriate administrative procedures. It will undertake technical and executive duties in the context of policies and action programmes designed and decided upon by the Community institutions.

The Agency represents, above all, a political effort reflecting the will of the Community to intensify its cooperation with all the developing countries following the conclusion and entry into force of the Lomé Convention.

**Background**

The creation of this Agency is part of the Community's overall policy of co-operation with the developing countries, and more especially constitutes the implementation of the Council Resolution of 30 April 1974 on the improvement of the generalised system of preferences and the promotion of exports from the developing countries.

Concerning the GSP it should be noted that the Council adopted another Resolution on 3 March 1975, in which it confirmed its will to make a sustained and progressive effort to improve the generalised preferences, in particular by encouraging the beneficiary developing countries to make better use of the Community's GSP by providing them with more information on it. The idea of setting up a specialised agency received immediate support from the European Parliament, from the Economic and Social Committee, from the national authorities of the Nine and, of course, from the beneficiary countries.

Concerning trade promotion, the Council Resolution of 30 April 1974 advocated the financing by the Community of specific technical assistance schemes to promote the exports of the non-associated developing countries (see P - 74). The Lomé Convention also provides for trade promotion schemes to benefit the ACP States.

**Improvement of the Generalised System of Preferences**

The Agency should constitute the key factor in the back-up measures referred to the Council on 30 April 1974 to support the generalised preferences. The Agency's objective would be to promote better utilisation of the GSP on four levels:

- (i) to make its use easier for the beneficiary developing countries, who frequently complain about the complexity of the Community scheme;
- (ii) to spread its use more evenly over the whole Community and increase utilisation while adapting it better to the structural and cyclical trends of the various economic sectors of the Community economy; the bulk of imports under the GSP are in the sectors of sensitive and semi-sensitive products whereas there are considerable opportunities of which no advantage is being taken in the sector of non-sensitive products;
- (iii) to spread its use more evenly among the various beneficiary developing countries; up to now, five countries alone account for half the imports of sensitive and semi-sensitive products under the GSP;
- (iv) to make its use more profitable for developing country exporters, some of whom, because of lack of information, do not benefit from the financial advantages resulting from the duty-free arrangements.

To achieve these objectives, the Agency will have three kinds of task:

Documentation: Development and use of index systems of Community importers and of exporters in the developing countries concerned by the GSP and a statistical analysis of the impact of the GSP on export and import trade.

Operational Information: Annual publication - in the official languages of the Community, in Spanish and if possible in Arabic - of a practical guide to the operation of the GSP to make it easier for the users to understand.

Communication to the importers and exporters of information on the portion as yet unused of each quota (sensitive products) and of each ceiling subject to surveillance and each maximum country amount linked to that ceiling (semi-sensitive products). This is in response to a unanimous request from GSP users, who were complaining about uncertainty as to the rate at which quotas and ceilings were being used and hence as to the quantities that could still be imported on preferential terms before customs duties were reintroduced.

Advice to GSP users: On trade contracts and market surveys, for example.

Promotion of exports: The Agency will also be responsible for implementing action programmes to promote ACP States' trade and that of the other developing countries, particularly under the Community programme for the promotion of developing countries' exports.

There will be three kinds of task:

- (a) assistance for participation by the developing countries in trade events;
- (b) arranging trade missions, either by European buyers to the developing countries or by products from the developing countries to Europe (including the organisation of seminars on such subjects as sales techniques);
- (c) training and technical assistance (organisation of training courses, provision of experts, market research, preparation of commercial literature).

#### Nature of the Agency

The Agency will be set up in the form of a European agency with legal personality under Commission supervision and it will be run in accordance with the rules of business management. It will employ a small number of specialised management staff and will be financed by an annual subsidy from the Community budget. It will work in close contact with the bodies promoting developing countries' exports in the Member States and in the developing countries themselves and with the private sector.