

# COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 285 final

Brussels, 29 May 1980

Proposal for a

COUNCIL REGULATION (EEC)

on the conclusion of the Framework Agreement for cooperation between  
the European Economic Community and the Federative Republic of Brazil

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(submitted to the Council by the Commission)

COM(80) 285 final

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EXPLANATORY MEMORANDUM

1. On 5 February 1980 the Council authorized the Commission to open negotiations with Brazil for the conclusion of a framework agreement on cooperation and adopted the necessary negotiating directives.

Two rounds of negotiations took place, on 17 March and 15-17 April. The French text of the Agreement between the European Economic Community and Brazil was finalized on 17 April and initialled on 18 April, and the two heads of delegation exchanged letters indicating their agreement ad referendum to the content.

2. The following texts were negotiated:

- the Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil and the Annex on cocoa butter and soluble coffee;
- an exchange of letters on sea transport;
- a Protocol concerning commercial and economic cooperation between the European Coal and Steel Community and the Federative Republic of Brazil.

Once the Agreement is signed the Commission will adopt a decision concluding the Protocol on behalf of the ECSC.

The French versions of these texts have already been placed at the disposal of the Member States' representatives on the Article 113 Committee.

3. The new Framework Agreement for cooperation, which replaces the EEC-Brazil Trade Agreement in force since 1 January 1974, takes over, subject to some slight changes of wording, the text on cocoa butter and soluble coffee annexed to the 1974 Agreement. In this connection Brazil expressed its intention of continuing discussions with the Community in the Joint Committee on improved access to the Community market for these products (plus "chocolate liquor") under the generalized preferences system. The Commission stated that the Community had no plans at present to alter the arrangements for these products as set out in the Annex. It also pointed out that under Articles 5 and 6 of the Annex the Parties would be able to discuss in the Joint Committee any problems relating to the marketing of the products in question.

The exchange of letters on sea transport is also taken over from that appended to the 1974 Agreement.

4. The Commission considers that the Framework Agreement and Annex thereto are in conformity with the directives adopted by the Council on 5 February and accordingly recommends that the Council initiate the procedures for signing and concluding the Framework Agreement for cooperation with Brazil.

5. With a view to the conclusion and implementation of the Agreement, the Commission herewith transmits to the Council a proposal for a regulation concluding the Agreement and the Annex thereto.

COUNCIL REGULATION (EEC)

on the conclusion of the Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 113 and 235 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament,

Whereas the conclusion by the European Economic Community of the Framework Agreement for cooperation between the Federative Republic of Brazil and the European Economic Community appears necessary for the attainment of the ends of the Community in the sphere of external economic relations; whereas certain forms of economic cooperation provided for by the Agreement exceed the powers of action specified in the field of the common commercial policy,

HAS ADOPTED THIS REGULATION:

Article 1

The Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil is hereby approved on behalf of the European Economic Community.

The text of the Agreement is annexed to this Regulation.

Article 2

Pursuant to Article IX of the Agreement, the President of the Council shall give notification that the procedures necessary for the entry into force of the Agreement have been completed on the part of the European Economic Community<sup>1</sup>.

Article 3

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council  
The President

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<sup>1</sup>The date of entry into force of the Agreement will be published in the Official Journal of the European Communities.

FRAMEWORK AGREEMENT  
for cooperation between the European  
Economic Community and the Federative  
Republic of Brazil

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part,

and

THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL,

of the other part,

INSPIRED by the friendly relations and traditional links between the Federative Republic of Brazil and the Member States of the European Economic Community;

RECOGNIZING that the European Economic Community and the Federative Republic of Brazil desire to establish a direct link with each other which will support, complement and extend the relations existing between the Federative Republic of Brazil and the Member States of the European Economic Community;

RESOLVED to consolidate, deepen and diversify their commercial and economic relations to the full extent of their growing capacity, so as to meet each other's requirements on the basis of mutual benefit and exploration of the complementarity of their economies in a dynamic context;

MINDFUL that the more dynamic trade relationship which both the European Economic Community and the Federative Republic of Brazil desire calls for cooperation in the field of commercial and economic endeavour;

CONSCIOUS that such cooperation is between equal partners but will take into account their respective levels of economic development and the Federative Republic of Brazil's membership of the Group of 77;

PERSUADED that such cooperation should be realized in evolutionary and pragmatic fashion as their policies develop;

DESIRING furthermore to contribute to the development of world trade in order to promote stronger economic growth and social progress;

RECOGNIZING the value of a Framework Agreement for the furtherance of the partners' economic growth and development objectives;

HAVE DECIDED to conclude a Framework Agreement for cooperation between the Federative Republic of Brazil and the European Economic Community and to this end have designated as their Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES

THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL

WHO, having exchanged their Full Powers, found in good and due form,

HAVE AGREED AS FOLLOWS:



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Article I

Most-favoured-nation treatment

The Contracting Parties shall, in their commercial relations, accord each other most-favoured-nation treatment in accordance with the provisions of the General Agreement on Tariffs and Trade.

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Article II

Commercial cooperation

1. The Contracting Parties undertake to promote the development and diversification of their reciprocal commercial exchanges to the highest possible level consistent with their respective economic situations.
2. To this end the Parties agree to study ways and means of overcoming trade barriers, in particular non-tariff and quasi-tariff barriers, taking into account the work carried out by international organizations in this field.
3. In the conduct of their policies the Contracting Parties shall, each in accordance with its legislation :
  - (a) grant each other the widest facilities for commercial transactions in which either Party has an interest;
  - (b) cooperate bilaterally and at the multilateral level in the solution of commercial problems of common interest, including those relating to commodities, semi-manufactured and manufactured products;
  - (c) take fully into account their respective needs and interests regarding both access to and the further processing of resources and access to each Contracting Party's market for the other Party's semi-manufactured and manufactured products;
  - (d) bring together economic operators in the two regions with the aim of diversifying and expanding existing trade flows;
  - (e) study and recommend trade promotion measures likely to encourage the expansion of imports and exports.

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Article III

Economic cooperation

1. The Contracting Parties, in the light of their mutual interests and taking into account their long-term economic aspirations, shall foster economic cooperation in all fields deemed suitable by the Parties. Among the objectives of such cooperation shall be:

- to encourage the development and prosperity of their respective industries;
- to open up new sources of supply and new markets;
- to encourage scientific and technological progress;
- generally to contribute to the development of their respective economies and standards of living.

2. As means to such ends, the Contracting Parties shall endeavour inter alia to facilitate and promote by appropriate means :

- (a) broad and consistent cooperation between their respective industries, in particular in the form of joint ventures;
- (b) greater participation by their respective economic operators in the industrial development of the Contracting Parties on mutually advantageous terms;
- (c) scientific and technological cooperation;
- (d) cooperation in the field of energy;
- (e) cooperation in the agricultural sector;
- (f) favourable conditions for the expansion of investment on a basis of advantage for both Parties;
- (g) cooperation in respect of third countries.

3. The Contracting Parties shall as appropriate encourage the regular exchange of information relating to commercial and economic cooperation.

4. Without prejudice to the relevant provisions of the Treaties establishing the European Communities, this Agreement and any action taken thereunder shall in no way affect the powers of the Member States of the Communities to undertake bilateral activities with Brazil in the field of economic cooperation and to conclude, where appropriate, new economic cooperation agreements with that country.

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Article IV

Joint Cooperation Committee

1. A Joint Cooperation Committee is hereby established, composed of representatives of the Community and of Brazil. It shall meet once a year. Additional meetings may be called by mutual agreement between the Parties.
2. The Committee shall promote and keep under review the various commercial and economic cooperation activities envisaged between Brazil and the Community. Consultations shall be held in the Committee at an appropriate level to facilitate the implementation of this Agreement and to further its general aims.

Article V

Other agreements

This Agreement replaces the Trade Agreement between Brazil and the European Economic Community which has been in force since 1 January 1974.

Subject to the provisions concerning economic cooperation in Article III(4), the provisions of this Agreement shall replace the provisions of agreements concluded between Member States of the Communities and Brazil where such provisions are either incompatible with or identical to the provisions of this Agreement.

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Article VI

European Coal and Steel Community

A separate Protocol is agreed between the European Coal and Steel Community and its Member States, on the one hand, and Brazil on the other.

Article VII

The Annex to this Agreement shall form an integral part thereof.



Article VIII

Territorial application

This Agreement shall apply to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty, on the one hand, and to the territory of the Federative Republic of Brazil, on the other hand.

Article IX

Duration

1. This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties have notified each other of the completion of the procedures necessary for this purpose.

2. This Agreement is concluded for a period of five years. It shall be renewed on a yearly basis unless one of the Parties denounces it six months before the date of expiry.

Article XAuthentic languages

This Agreement is drawn up in two copies in the Danish, Dutch, English, French, German, Italian and Portuguese languages, each of these texts being equally authentic.

ANNEX

COOPERATION REGARDING THE MARKETING OF  
COCOA BUTTER AND SOLUBLE COFFEE

1. The Community shall, in pursuance of its offer of generalized preferences as notified to UNCTAD and in accordance with arrangements based on the conclusions reached within that body, suspend the Common Customs Tariff duties on the following products, originating in developing countries, and substitute the rate shown against each one:

CCT heading No	Description	Rate of duty'
ex 18.04	Cocoa butter (fat or oil): — cocoa butter	8%
21.02	Extracts, essences or concentrates of coffee, tea or maté; preparations with a basis of these extracts, essences or concentrates:  ex A. Extracts, essences or concentrates of coffee; preparations with a basis of these extracts, essences or concentrates: — soluble coffee	9%

2. Preferential imports under point 1 shall be limited to Community tariff quotas amounting, for 1974, to 21 600 tonnes for cocoa butter falling within heading No ex 18.04 and 18 750 tonnes for soluble coffee falling within tariff subheading 21.02 ex A.

After the first year of application of the Agreement, the above quotas shall be increased annually, under the Community system of generalized preferences, on the basis of the Community's needs and imports; they may be amended for any changes made in the list of countries to which that system applies.

3. If the Community finds that products to which the arrangements described in point 1 apply are imported into the Community in such quantities or at such prices that these imports are or are likely to be particularly harmful to the interests of Community producers of like products or of products in direct competition, or if they have adverse effects on the situation in the associated countries, the Common Customs Tariff duties may be reimposed in part or in whole for the products in question in respect of the country or countries, or territory or territories, where such harmful effect originates. Such measures may also be taken in the event of serious harm, or its likelihood, to a single region of the Community.

4. Brazil shall take all appropriate steps to ensure that its policy regarding prices and other conditions for the marketing of cocoa butter and soluble coffee disturbs neither the internal market of the Community nor its traditional patterns of trade.

5. In the context of the trade cooperation provided for in Article II of the Agreement, Brazil is prepared, within the Joint Committee established by the Agreement, to undertake a periodic review of the effect on the Community market of its export price policy for cocoa butter and soluble coffee.

6. Should any difficulties arise in the implementation of the provisions of this Annex, the two Parties will discuss them in the Joint Committee with a view to finding mutually satisfactory solutions.

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Exchange of letters on sea transport

Your Excellency,

I have the honour to confirm the following:

In view of the concern expressed by the European Economic Community and the Member States on the occasion of the negotiation of the Agreement between the Community and Brazil, signed this day, as regards obstacles to trade resulting from sea transport conditions, it has been agreed that mutually satisfactory solutions will be sought as regards sea transport between Brazil and the Community and the Member States.

To this end, it has also been agreed that, at the first meeting of the Joint Committee, the problems mentioned in the first paragraph which could affect the development of reciprocal trade, will be examined with a view to ensuring the harmonious conduct of such trade.

Please accept, Your Excellency, the assurance of my highest consideration.

*For the Council of the  
European Communities and  
the Member States of  
the Community*

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Sir,

I have the honour to confirm the following:

In view of the concern expressed by the European Economic Community and the Member States on the occasion of the negotiation of the Agreement between the Community and Brazil, signed this day, as regards obstacles to trade resulting from sea transport conditions, it has been agreed that mutually satisfactory solutions will be sought as regards sea transport between Brazil and the Community and the Member States.

To this end, it has also been agreed that, at the first meeting of the Joint Committee, the problems mentioned in the first paragraph which could affect the development of reciprocal trade, will be examined with a view to ensuring the harmonious conduct of such trade.

Please accept, Sir, the assurance of my highest consideration.

*For the Government  
of the Federative  
Republic of Brazil*

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PROTOCOL

concerning commercial and economic cooperation between  
the European Coal and Steel Community and the Federative  
Republic of Brazil

THE COMMISSION OF THE EUROPEAN COMMUNITIES, ON BEHALF OF THE EUROPEAN COAL  
AND STEEL COMMUNITY, AND

THE GOVERNMENT OF

of the one part, and

THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL,  
of the other part,

HAVE AGREED AS FOLLOWS:

Article 1

The provisions of Articles I to V inclusive of the Framework Agreement for  
cooperation between the European Economic Community and the Federative  
Republic of Brazil, signed in Brussels on ....., shall also  
apply in the matters covered by the Treaty establishing the European Coal  
and Steel Community.

Article 2

This Protocol shall apply to the territories in which the Treaty  
establishing the European Coal and Steel Community is applied and under  
the conditions laid down in that Treaty, on the one hand, and to the  
territory of the Federative Republic of Brazil, on the other hand.

Article 3

This Protocol shall enter into force on the first day of the month following  
that in which the Contracting Parties have notified each other of the  
completion of the procedures necessary for this purpose. It shall cease  
to apply if the Framework Agreement referred to in Article 1 is denounced.

Article 4

This Protocol is drawn up in two copies in the Danish, Dutch, English, French, German, Italian and Portuguese languages, each of these texts being equally authentic.