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## R E P O R T

of the Committee on External Economic Relations

on the European Community's economic and trade relations  
with the countries of Indo-China

Rapporteur: Mr Konstantinos TSIMAS

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*A Series: Reports - B series: Motions for Resolutions, Oral Questions.*

*- C Series Documents received from other Institutions (e.g. Consultations)*

- \* = Consultation procedure requiring a single reading
- \*\*I = Cooperation procedure (first reading)

- \*\*II = Cooperation procedure (second reading) which requires the votes of the majority of the Members of Parliament
- \*\*\* = Parliamentary assent which requires the votes of the majority of the current Members of Parliament

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At the sitting of 13 March 1991 the President of the European Parliament announced that he had forwarded the motion for a resolution by Mr Visser, pursuant to Rule 63 of the Rules of Procedure, to the Committee on External Economic Relations as the committee responsible.

At its meeting of 30 April 1991 the committee decided to draw up a report and appointed Mr Tsimas rapporteur.

At its meetings of 29 November 1991, 30 January, 22 April and 20 May 1992 the committee considered the draft report.

At the last meeting it adopted the resolution unanimously.

The following took part in the vote: De Clercq, chairman; Cano Pinto, 1st vice-chairman; Stavrou, 2nd vice-chairman; Junker, 3rd vice-chairman; Tsimas, rapporteur; Escuder Croft (for Suarez Gonzalez); Guillaume; Miranda de Lage; Moorhouse; Piermont; Porto (for de Vries); Raffin (for Melandri) and Visser (for Hindley).

The report was tabled on 22 May 1992.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

A

MOTION FOR A RESOLUTION

on the economic and trade relations between the European Community and Indo-China

The European Parliament,

- having regard to its resolution of 13 October 1988 on relations between the European Community and the non-European countries of the CMEA,<sup>1</sup>
  - having regard to its resolution of 12 September 1991 on the situation in South-East Asia,<sup>2</sup>
  - having regard to the motion for a resolution by Mr VISSER on the economic and commercial relations between the European Community and Indochina (Vietnam, Laos and Cambodia) (B3-0047/91),
  - having regard to the report of the Committee on External Economic Relations (A3-0197/92),
- A. Whereas Laos, Vietnam and Cambodia are amongst the poorest of the Non-Associated Developing Countries in Asia and Latin America (ALA countries),
  - B. Whereas this poverty is due to the effects of colonial rule, followed by half-a-century of incessant warfare and, since 1975, to international isolation and misguided economic policies,
  - C. Whereas the economic position of these countries has been further affected by the collapse of the CMEA (COMECON) and the demise of the Soviet Union, as regards the disruption of their external trade and their receipt of development aid,
  - D. Noting that, since the European Community began its programme of aid to the ALA countries, while aid has been provided to Laos on a small scale, both Vietnam and Cambodia were excluded from this programme for political reasons, in particular the occupation of Cambodia by Vietnamese forces,
    1. Welcomes the recent changes in the international political situation which have led to the settlement of the problem of Cambodia and considers that the political reasons which have hitherto prevented the European Community from developing its relations with Vietnam and Cambodia no longer exist;
    2. Regrets that the European Community and the Member States have in general paid far too little attention to developments in Indo-China, with the result that the political situation in the region and policy relating to it have been too one-sidedly determined by other powers;

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<sup>1</sup> J No. 290 of 14.11.1988, p. 155

<sup>2</sup> OJ No. 287, 14.10.1991, p. 163-164

3. Welcomes the policies of economic reform which are being pursued in Laos, Vietnam and Cambodia to bring their economies increasingly into the international trading system;
4. Considers that the European Community must now devote more attention to the countries of Indochina, as part of a more active and positive role in the political and economic development of South and South-East Asia;
5. Hopes that the Commission, in view of the changed political situation in Indo-China, will draw up a memorandum as soon as possible on future Community policy in the region, covering political developments and trade and technical and development cooperation; hopes that the Commission will couple this memorandum with an action programme;
6. Notes that the countries of Indo-China - Vietnam, Laos and Cambodia - are very different one from another; considers that it is of great importance, in addition to improving trade and cooperation with the countries - in view of the massive needs - to give first priority to large-scale aid and development cooperation, geared to each country's specific individual requirements;
7. Welcomes the recent steps taken by the Commission to improve relations with Laos and Vietnam and to prepare aid projects for Cambodia;
8. Calls on the Commission and Council to take all necessary steps to ensure that the Community can win back ground that it lost by its limited presence in the area in the economic, trade and political fields;

#### As regards Laos

9. Welcomes the Laos Government's policy of economic liberalization by means of the New Economic Mechanism (NEM) and attracting foreign investment, but notes that the lack of trained staff, inadequate infrastructure and the lack of an adequate legal system counteract the results;
10. Notes that over 350 000 Laotians have fled abroad since 1975, mainly to Thailand; calls on the Commission and Member States to cooperate fully with the UNHCR voluntary return programme set up in the meantime;
11. Regrets that despite the economic liberalization in Laos there is still no question of substantial domestic political reform and any form of political opposition is impossible; urges that under the constitution of August 1991 - the first in the history of Laos - political openness should also become a reality;
12. Considers that the aid which has been provided by the Commission to Laos on a significant scale since 1988 should now be increased both in value and in the scope of development projects funded;
13. Calls on the Commission to assist Laos to diversify its external trade, especially through trade promotion projects in the coffee, textiles and handicrafts sectors, and to promote tourism;
14. Welcomes the Commission's efforts to persuade the Government of Laos to set up a Timber Board to improve the sustainability of the forestry sector;

15. Calls on the Commission to increase its aid to Laos for training projects in rural development and trade promotion;
16. Re-affirms its decision to establish inter-parliamentary relations with Laos;

As regards Vietnam

17. Expresses its appreciation of the sections of the draft constitution, to be decided by Vietnam's National Assembly in April 1992, concerning:
  - economic reform leading towards a free market economy;
  - giving the Vietnamese the right to own capital goods, set up their own businesses and enter into joint ventures;
  - guarantees that businesses with foreign investment will not be nationalized;
18. Calls on the Vietnamese Government to link this more open economic policy to further political reforms;
19. Is fully aware of the enormous financial, economic and social problems in Vietnam, such as:
  - the 600 000 demobilized soldiers, the 500 000 out-of-work officials and the tens of thousands of workers who have returned from Eastern Europe;
  - the devastated and antiquated infrastructure, the massive need for concessional foreign loans and the US blocking of aid from the IMF, the World Bank and the Asian Development Bank;
  - the major problems with tax collection and the enforcement of legislation on the regulation, protection and fostering of the business sector, and the continual complaints from foreign investors and traders about bureaucracy, corruption and rapidly changing legislation;
  - the renewed increase in inflation and falling behind in economic growth, according to Asian Development Bank figures, although prospects for 1992 are more favourable (economic growth 5% and industrial growth 7%);
  - an over-great dependence on the agricultural sector, which accounts for 75% of employment and 50% of the GNP, although Vietnam has an abundance of natural resources and minerals;
20. Points out that, according to the IMF, Vietnam has set up an exemplary programme of economic reform and again deserves international aid; hopes that the Community and Member States will make efforts to end the blocking of IMF, World Bank and Asian Development Bank aid to Vietnam;
21. Welcomes the agreement between the United Kingdom, Hong Kong and Vietnam for the voluntary repatriation of Vietnamese refugees from Hong Kong and the assurance given by Vietnam that no proceedings would be initiated against returning refugees; notes that the funds provided by the Commission for the repatriation and reintegration of these refugees helps to stimulate the local economy in Vietnam;

22. Notes that, since the normalisation of relations between the European Community and Vietnam, Community aid has otherwise been limited to funding NGO's in Vietnam;
23. Is of the opinion that development cooperation in the following areas may be productive:
- help in establishing and improving infrastructure, including rural infrastructure;
  - aid for small-scale productive employment;
  - aid for health care and sanitation;
  - aid for forestry;
  - aid for artificial fertilizers through the United Nations food organization;
  - extra help with debt relief through the IMF;
  - extra support for refugee aid and in the return of boat people through the UNHCR;
24. Calls on the Commission not to prepare aid projects for Vietnam to include rural development, resettlement schemes, especially for coffee, fruit cultivation and afforestation, fishery development and tourism, with the accent on labour intensive schemes;
25. Calls on the Commission to supply milk products to Vietnam for deprived children;
26. Calls on the Commission to provide training schemes for Vietnamese officials and managers both to develop Vietnam's external trade and for the more effective implementation of its internal economic reforms;
27. Considers that recent political reforms in Vietnam, including particularly the release of most remaining political prisoners, fulfil the conditions for the Commission now to prepare a negotiating mandate for the conclusion of a framework cooperation agreement with Vietnam;
28. Calls on the Commission, pending the opening of such negotiations, to conclude an agreement with Vietnam on trade in textiles;
29. Calls on the Commission to make preparations for the opening of a Delegation office in Hanoi, once a cooperation agreement has been concluded;
30. Re-affirms its decision to establish inter-parliamentary relations with Vietnam and considers that this should be effected once the new elections to the National Assembly have taken place;

#### As regards Cambodia

31. Expresses its sympathy for the terrible suffering to which the people of Cambodia have been exposed in recent years and are still undergoing, because of which it is a matter of honour for the international community, including the European Community and the Member States, to make a maximum contribution to the reconstruction of this deeply tormented country;

32. Welcomes the political settlement to the conflict in Cambodia concluded, under UN auspices, in Paris on 23 October 1991; calls on the Commission and on the Governments of the Member States to take such economic and financial measures as are required, as part of wider international efforts, to repatriate and rehabilitate Cambodian refugees and to contribute to rebuilding the country;
33. Notes the almost complete destruction of the human, technical and scientific infrastructure in Cambodia and consequently considers immediate aid in these areas of the utmost importance;
34. Fully endorses, therefore, the statement of the Twelve meeting in European Political Cooperation of 8 November 1991 to the effect that the international community must make all necessary efforts, through economic and financial assistance, to aid the repatriation and rehabilitation programmes and later the country's reconstruction; consequently hopes that the Commission will shortly produce an operational aid programme, which should be well thought out, in view of Cambodia's temporarily limited assimilation capacity;
35. Has noted with appreciation Japan's proposal to hold a conference in 1992 on the reconstruction of Cambodia; hopes that the Community will also play a pioneering role here;
36. Has noted with appreciation the decisions by the Communist Party's sixth party conference in mid-October 1991, which included:
  - establishment of multi-party democracy and abolition of the party's leading role (the Cambodian People's Party);
  - establishment of a free market economy instead of a central planning system;
  - acceptance of Buddhism as the state religion with religious freedom for minorities;
  - opening of financial markets, banks and insurance companies;
37. Is of the opinion that aid to Cambodia from the EC and its Member States must at least cover the following areas:
  - continuation of the present emergency aid (basic medicines, aid for the treatment and rehabilitation of the disabled, educational equipment and veterinary products);
  - continuation and expansion of rehabilitation aid (food production and irrigation systems, health care, water and sanitation, especially in urban areas, education and training and small-scale industry);
  - aid for human resources, in view of the almost complete destruction of human development potential;
  - offering the prospect of a far-reaching reconstruction plan, including substantial cooperation in the return and resettlement of refugees;
38. Welcomes the contribution already being undertaken by the European Community in refugee repatriation, aerial photography and mine clearance, as well as through NGO's;
39. Considers that the European Community can most effectively contribute to these efforts through the provision of food aid, humanitarian assistance and training and by sending doctors, vets and engineers to Cambodia;



40. Insists that Cambodia be given assurances that such assistance will be provided over a prolonged period, which is essential for the restoration of confidence among the people;

General considerations

41. Considers that Laos, Vietnam and Cambodia must be given their fair share of the aid which is available through the European Community's budget for cooperation with the ALA countries;
42. Stresses the need to expand aid projects for financial and technical cooperation, and for education and training for these countries, as well as to provide funds through the new programmes on environment and human factors;
43. Invites the Commission to participate in studies for regional development schemes involving these countries, as well as Thailand, as regards transport and communications and electricity supply;
44. Points out that the ECIIP financial instrument (European Community International Investment Partners) must also be regarded as of importance for the countries of Indo-China;
45. Calls on the Commission and the Governments of the Member States to coordinate their development efforts with regard to Laos, Vietnam and Cambodia;
46. Calls on the Commission and the Governments of the Member States to urge the main international aid agencies to provide adequate assistance to these countries;
47. Welcomes the Declaration of the ASEAN Summit in Singapore on 28 January 1992 that 'ASEAN will play an active part in international programmes for the reconstruction of Vietnam, Laos and Cambodia'; welcomes also the diplomatic moves towards accession by Laos and Vietnam to the ASEAN Treaty of Amity and Cooperation;
48. Welcomes the recent improvement in relations between the United States and Vietnam, in particular the US decision to provide humanitarian aid to Vietnam, and hopes that the United States will soon lift its embargo against Vietnam and allow the international aid agencies to furnish aid to Vietnam;
49. Notes that Japan, Taiwan, the ASEAN countries and Australia are already developing a presence in Indochina and strongly urges that the European Community pursue a rapid expansion of its trade and economic relations with Laos, Vietnam and Cambodia without delay;
50. Calls on the Commission to draw up an action programme setting out its future policy towards Laos, Vietnam and Cambodia;
51. Instructs its President to forward this resolution to the Commission, the Council, the Governments of the Member States and to the Governments of Laos, Vietnam and the Supreme National Council of Cambodia.

## B. EXPLANATORY STATEMENT

### I. INTRODUCTION

The region known as Indo-China consists of three ancient countries- Cambodia, Laos and Vietnam. Following half a century of French domination, Indo-China suffered from almost incessant conflict from the end of World War II until 1975. This period was especially damaging to Vietnam. There followed the conflict in Cambodia, lasting from 1979 until the UN-inspired peace accords reached in October 1991. Although the European Community has entertained little or no relations with the countries of Indo-China until now, the ending of the Cold War and superpower rivalry in South-East Asia, the prospects of a lasting settlement in Cambodia and the introduction of economic reforms in all three countries, offer to the Community and to its Member States the prospect of fruitful relations with this region in future.

Cambodia, Laos and Vietnam differ both in size and population, as follows:

	Area sq. km.	Population(1)
Cambodia	181,916	8,592,000
Laos	236,800	4,024,000
Vietnam	329,566	66,128,000

Vietnam also has a far larger economy than either Laos or Cambodia in terms of Gross National Product, i.e.:

	GNP in \$U.S.(2)
Cambodia	600 million
Laos	700 million
Vietnam	12,600 million

However, although Vietnam is relatively more developed than either Cambodia or Laos, all three countries are very poor compared to their ASEAN neighbours, placing them clearly in the list of the world's poorest countries, as follows:

	GNP per capita in \$U.S.(3)
Cambodia	90
Laos	170
Vietnam	198
e.g. Indonesia	490
Malaysia	2,130
Thailand	1,170

The triumph of Indo-China's Communist Parties, in wresting control of the entire region by 1975, occurred shortly before the European Community began its first programmes of development cooperation for the countries of Asia and Latin America, in 1976. Following the brutal excesses committed by the Pol Pot regime in Cambodia after 1975 and Vietnam's invasion and occupation of Cambodia in 1979, the European

Community suspended its tentative relations with Vietnam and has been unable to develop relations with Cambodia. Only with Laos did useful cooperation, albeit on a small scale, develop from 1977 onwards.

However, by 1988, with the introduction of the first economic reforms in Vietnam, the position of the European Community began to change. In its Resolution of 13 October 1988 (on Mr Seeler's Report on the Community's relations with the non-European members of the CMEA), the European Parliament considered

"that the complete withdrawal of Vietnamese forces from Kampuchea (Cambodia), as part of a political settlement to the present conflict, as well as the continuation of Vietnam's present policy of reforms, will enable the European Community fully to resume the provision of development aid to Vietnam (and moreover to Kampuchea) without delay and thus support both Vietnam's reform policy and its endeavours to achieve greater political independence".(4)

In the early autumn of 1989, the Vietnamese occupation forces were withdrawn and in Resolutions adopted on 23 November 1989 and on 17 May 1990,(5) the European Parliament urged the Council to accept the request made by the Government of Vietnam in September 1987, and subsequently supported by the Commission, for the opening of diplomatic relations with the European Community. The Council finally acceded to this request in November 1990 and bilateral relations have begun to develop slowly since then.

As regards Cambodia, the European Community maintained its boycott until the settlement was reached and the development of normal relations must await the setting up of a new government once the UN-supervised elections have been held.

The European Parliament has already stated in outline its position regarding the development of the European Community's relations with the countries of Indo-China in its Resolution of 12 September 1991 (on Mr Prag's Report on the situation in South-East Asia)(6). This present report aims to expand on this position as regards the Community's economic relations with Cambodia, Laos and Vietnam.

## II. POLITICAL AND ECONOMIC BACKGROUND

General information regarding the political and economic background to the present situation in Cambodia, Laos and Vietnam has already been provided in a Working Document submitted to the Committee on External Economic Relations on 13 November 1991(7). It is worth recalling some of the main factors contained in this Working Document.

### (a) Historical and political developments

Vietnam and Thailand were already engaged in rivalry for influence over Laos and a declining Cambodia before the arrival of the French in the mid-19th Century. The impact of French colonial rule in Vietnam was much greater than their rule in Cambodia or Laos and was always resisted more fiercely. Following the Japanese occupation, a united and independent Vietnam might have emerged peacefully (ironically with U.S. assistance), if agreements entered into by the French with the

Viet Minh had not been broken.

By the time of the Geneva Accords, in 1954, the politics of Indo-China had become embroiled in the Cold War, leading to rivalry between the Superpowers in South-East Asia. This, in turn, led to the failure to hold the all-Vietnam elections foreseen in the Geneva Accords, U.S. interference in South Vietnamese politics, the formation of the Communist-led National Liberation Front in the South, the commitment of U.S. forces to South Vietnam, the aerial bombing of the North, and the subsequent widening of the conflict to Cambodia and Laos and the destabilisation of their regimes. Once U.S. forces had been withdrawn, the U.S.-supported regimes in South Vietnam, Laos and Cambodia crumbled quickly, leading to the formation of Communist regimes throughout Indo-China in 1975.

When Pol Pot's Khmer Rouge regime in Cambodia attacked Vietnam, the Vietnamese occupied the country in support of a rival Cambodian Communist faction under Hun Sen. As a result, Communist China launched a punitive military strike against Northern Vietnam.

Vietnam's prolonged occupation of Cambodia not only alienated China and Thailand (together with the other ASEAN countries) but also the United States and the European Community. Vietnam, having become a member of the CMEA (COMECON) and having signed a Treaty of Friendship and Cooperation with the Soviet Union in 1978, became excessively dependent on both trade with, and large-scale development assistance from, the Soviet Union and its COMECON allies in Central and Eastern Europe. Much the same was true for Cambodia and Laos. The Soviet Union was held up, therefore, as the great role model (all other international players being considered - and behaving - as hostile) and rigorously imitated in both administration and economic policy, with rather catastrophic results. By comparison, the ASEAN neighbours, firmly in the Western camp, were booming.

By the mid-1980's, the Governments of all three countries had begun programmes of economic reform. However the collapse of COMECON, the Communist regimes in Central and Eastern Europe and, finally, of the Soviet Union itself, created enormous disruption as regards the trade, balance of payments and economic development of all three countries, but also considerable disillusionment within their ruling elites. This facilitated the settlement of the Cambodian problem, with the Vietnamese military withdrawal and led to Vietnam normalising relations with all its neighbours, that is both with the ASEAN countries and with its great historic enemy, China.

(b) Economic background

While a Soviet-style command economy was introduced in North Vietnam after 1954, the introduction of such a system in South Vietnam and in Laos only occurred after 1975. Indeed, in spite of the war, a relatively booming free market economy had developed around Saigon during the period of U.S. military involvement. Thus it has been mainly Southerners in the Vietnamese leadership who have been the main champions of economic reform. In Cambodia, the rule of the Khmer Rouge virtually wiped out all economic activity except subsistence agriculture, while the continuing civil war since 1979 has greatly hampered efforts at reconstruction.

Economic reforms were first introduced in Laos in 1985, followed in 1986 (after the Sixth Party Congress) by Vietnam. Although Cambodia, under the Hun Sen regime, was the last to begin such reforms, progress in this direction has been much faster than in either Laos or Cambodia.

Agriculture remains the principal economic activity in all three countries, but is somewhat less predominant in more developed Vietnam (62.6% of the workforce) than in Cambodia (70.4%) or in Laos (72%). Vietnam has a great potential to develop its fishing industry, while forestry can be an important factor in all three countries. All three countries suffer from a severe shortage of energy, especially electricity. However, while Vietnam has substantial coal reserves and offshore oil is being developed, Laos has an enormous potential for the development of hydro-electric power, only a tiny percentage of which is currently exploited, and this largely for export to Thailand. The transport and communications infrastructure of all three countries, including links with each other and with neighbouring countries, is hopelessly inadequate.

Until very recently, the external trade of all three countries had been dominated by the barter system of COMECON, with little heed taken of real prices. The collapse of this system has left these countries devoid of both experience and expertise of doing business on the world market. The impact on Cambodia and Laos, who had little to trade in any case, has been less acute than on Vietnam.

### III. THE EUROPEAN COMMUNITY'S RELATIONS WITH LAOS

In 1975, after many years of intermittent civil war in Laos, the Communist Pathet Lao emerged victorious, leading to the formation of a government under the People's Revolutionary Party. Vietnam maintained several thousand troops in Laos to shore up this regime. However, this did not deter the European Community from beginning a programme of development assistance to Laos in 1977.

#### (a) Development and Economic Cooperation

Prior to 1986, aid projects were on a very small scale. The first, to develop seed production, was funded under the Commission's Special Action Programme (the "Ortoli Facility") and was channelled, in the form of soft loans, through the World Bank. Two further projects, one relating to flood control around Vientiane, the other again for seed production, were implemented through the Mekong Valley Committee over a period from 1978 to 1990.

However, after the introduction of the first economic reform measures by the Government of Laos in 1985, which began to decentralise the economy and reduce State subsidies, the Commission reassessed this position, especially as a result of the visit of Commissioner Cheysson to Laos in 1986. A number of "rural microprojects" for the Luang Prabang area were approved in 1986, as was an irrigation project for Ngan Ngum in 1988. Both projects were begun in 1990. Moreover two training projects were approved in 1988 for the Mahosot University Hospital in Vientiane and for vocational training for woodworking and carpentry. In addition, Lao government officials have undergone training in statistics in Germany since 1988. Other projects, under the heading of humanitarian aid, have included food aid, grants for the repatriation of Laotian refugees and measures to reduce the production

of opium poppies in Muang Hom and the Kasi Valley. As regards the refugees, for which funds have been channelled through the UNHCR, an agreement has been reached in 1991 between Thailand, Laos and the UNHCR for rural integration development projects whereby 60,000 Lao refugees in Thailand will be repatriated over the next three years. Finally, aid to Non-Governmental Organisations (NGO's) operating Laos (mainly on education and health care projects) has been stepped up since 1986.

Thus, whereas between 1976-1985 European Community aid to Laos for these various projects totalled only ECU 9.1 million, between 1986 and 1991 the total value of such aid had increased to ECU 30.6 million.

An important aid project to be undertaken in the next few years by the European Community, following the completion of studies, will be to provide additional drinking water supplies to the town of Thakhet through the building of an aqueduct. Other studies on the development of water resources and flood protection are under way. Nevertheless, the Commission should now increase both the scope of future development project and the funds available for them.

(b) Trade

While the European Community's Development and Economic Cooperation with Laos has been both useful and effective in a modest way, little or nothing has been achieved in improving the trade position of Laos. In 1988, Laos had imports worth US 240 million dollars but exports worth only US 52 million dollars. The Soviet Union was the principal trading partner and the main exports were wood (32.8%), electricity (13.7%) and coffee (9.0%).(8)

With the expected halving of trade with what was the Soviet Union, as well as a reduction in the price which Thailand pays for electricity supplies from Laos, the trading prospects for Laos appear to be particularly bleak. The great temptation, of course, is to step up the exploitation of the abundant forests to reduce the deficit. At present, the destruction of the tropical forests is proceeding in an uncontrolled manner, largely to satisfy the demands of the Thai logging interests (Thailand already having been practically denuded of its own forest cover). The Commission has proposed the setting up of a Timber Board for Laos in order to supervise the exploitation of the forests, so as to reduce the ecological damage. Although the Government of Laos has refused to accept this proposal as yet, the Commission should pursue the suggestion with determination.

In addition, it is important that the Commission prepare a programme of measures to assist Laos to diversify its exports and to be better prepared to sell its products on international markets, in particular that of the European Community. Coffee, textiles and handicrafts should be targeted sectors for trade promotion, under Item B7-3001 of the Commission's Budget (Promotion of Trade Relations with Asian Developing Countries), while marketing expertise should be provided under various Items under Budget Article B7-503 (Training and Education in the Development Field). Tourism in Laos should also be promoted. Both exports and tourism should be helped by the extension of Thailand's North-Eastern Railway across the Mekong into Vientiane in a few years' time.

(c) Diplomatic relations

For several years, the Government of Laos was unprepared to afford recognition to the European Community. However, since the general improvement in relations after 1986, this problem has been overcome and the Ambassador of Laos in Paris is now accredited to the European Community. In turn, the Commission's representative in Bangkok is now accredited to the Government in Vientiane.

In its Resolution of 12 September 1991, referred to earlier, the European Parliament asked the Commission "to envisage a trade and cooperation agreement with Laos, which would provide increased aid from the Community with a particular view to improving the country's position on world markets". This is certainly the goal which the European Community should pursue. However, while it may be some time before the Government of Laos is ready to discuss such an agreement with the Community, this should not delay the provision of greater aid to Laos by the Community.

The same Resolution also suggested that a "political dialogue at parliamentary level" should be established with Laos and it is to be expected that the competent authorities in the European Parliament are already taking steps to implement this suggestion.

IV. THE EUROPEAN COMMUNITY'S RELATIONS WITH VIETNAM

(a) 1979-1989

Following Vietnam's military occupation of Cambodia in January 1979, the European Council meeting in the Hague decided to freeze all aid to Vietnam. This position was reiterated, for example, in a joint Ministerial statement with the ASEAN Foreign Ministers, in October 1986, where it was stated that no assistance should be given to Vietnam which might "support and encourage its occupation of Kampuchea".

Nevertheless, encouraged by the European Parliament, the Commission did see fit to provide some emergency aid and food aid following typhoon damage in coastal areas, e.g. after Typhoon Wayne in October 1986.

(b) Since 1989

The withdrawal of Vietnamese forces from Cambodia in September 1989 opened the way for the normalisation of relations with the European Community in November 1990. Since then the Commission has given priority to assisting the United Kingdom to solve the problem of the large number of Vietnamese refugees who have fled, mostly by sea, to Hong Kong. Although criticism has been levelled at the Hong Kong authorities for the methods used to "screen" the genuine "political refugees" from mere "economic refugees", it is clear that, for the most part, returning refugees face no threat of retribution from the Vietnamese authorities. Indeed, the Government of Vietnam is most content with the remittances which are sent to families in Vietnam from "boat people" who have succeeded in settling in Western countries. The Commission's project to assist with this repatriation and reintegration of the refugees has been quite substantial, amounting to ECU 12.5 million from its starting in April 1991 up to March 1992. Moreover, the reintegration aspect of the projects makes a significant contribution towards stimulating the local economy.

(c) Future Development Aid

However, the success of this programme does not excuse the fact that, until now, no project aid has been provided by the Commission to Vietnam under the main Budget item for cooperation with Asian Developing Countries, namely Item B7-3000 (Financial and Technical Cooperation). Nevertheless, following the visit of a high level delegation of Commission officials to Hanoi in February/March 1992, it is to be hoped that a number of projects will now be identified for which European Community aid can be made available.

Vietnam's economy is seriously affected, at present, by an acute labour surplus resulting from the demobilisation of some 600,000 soldiers after the withdrawal from Cambodia, the redundancy of 500,000 civil servants due to economic decentralisation, as well as many thousands of returning guest workers from former COMECON countries. This has compounded its earlier difficulties resulting from a dilapidated infrastructure, obsolescent heavy industry and acute shortages of electricity. Therefore, the sort of schemes of interest to the Vietnamese include labour intensive rural development and resettlement projects to develop coffee and pineapple production and projects to develop fisheries for export (especially shrimps and prawns). Indeed, with its long coastline, the fisheries sector could be substantially expanded and the European Community could assist with integrated fishery development programmes, such as have been provided for certain ACP countries. Vietnam's coastline is also highly conducive to the development of tourism which the Community should also assist. Another priority area is forestry where it must be recalled that Vietnam has the potential to develop some 10 million hectares of land, most of which was denuded of its forest cover during the U.S. air bombing with chemical defoliants in the early 1970s. Funds available under Budget Item B7-5041 (Funds to promote tropical forests) might be usefully employed here. The Commission should also provide food aid in milk products to Vietnam (Article B7-201) to assist under-privileged children.

On the other hand, the Commission has been providing funds to NGOs operating in Vietnam, for which a special Budget line (Item B7-5074) has been established, with ECU 2 million provided in 1991 and ECU 1.5 million in 1992. This should not preclude access to the general NGO fund (Article B7-501), if enough suitable projects are put forward.

(d) Trade Cooperation

The other area where cooperation with Vietnam has yet to be developed is trade. In 1988, Vietnam had exports worth US 1,668 million dollars while its import bill amounted to US 4,360 million. Again, as with Laos, most of the trade was with the Soviet Union and other COMECON countries. While the large trade deficit was partly offset by Soviet aid of about 1 billion roubles per annum, both the aid and a substantial part of the trade has ended and what remains with the successor States must now be conducted using hard currency rather than by barter which was often on terms advantageous to the Vietnamese.

Vietnam's programme of economic reforms, which are to be enshrined in the new Constitution, aims to transform Vietnam into a market economy and has already brought about market prices, given Vietnamese the



right to own the means of production and to start enterprises and joint ventures and has provided guarantees to foreign investors. These reforms have won the praise of the President of the International Monetary Fund. However, for these reforms to be effective, Vietnam needs to acquire a body of officials and business managers who are familiar with the problems and opportunities of trading on the open international market, including the Community's market. Here the Commission should make use of its training and education budget (Article B7-503), including instruction in exploiting the Community's Generalised System of Preferences (Item B7-5030). Vietnam also needs assistance to develop a viable tax system and to implement the new laws which have been adopted to protect and stimulate the private sector. Where possible, such training should be conducted and co-financed with other organisations specialising in the field.

The Government of Vietnam is keen to open negotiations with the European Community with a view to concluding a framework cooperation agreement. On this question, the European Parliament stated, in its Resolution of 12 September 1991, that Vietnam's process of political liberalization should be resumed "in particular to ensure respect for human rights, including the release of political prisoners, in order that the Commission is in a position to negotiate a trade and cooperation agreement with Vietnam". Since then, almost all the remaining political prisoners have been released, a more liberal press law has been introduced, greater liberalisation in the electoral process for the forthcoming National Assembly elections has been provided, and the separation of the roles of State and Communist Party has been brought about to ensure that the Party is made subject to the Rule of Law. Clearly, this fulfills the condition placed by Parliament on the negotiation of such an agreement and the Commission should now begin to prepare a negotiating mandate. However, remaining human rights cases should be kept under review by the Commission during the process of negotiations.

Pending the negotiation and conclusion of a framework cooperation agreement, the Commission should conclude a specific agreement on trade in textiles with Vietnam. Although Vietnam already has the use of some export quotas to the Community, textiles is a sector where Vietnam could develop an export trade to the Community, partly with trade diverted from former COMECON countries. While a textile agreement would contain ceiling provisions on some sensitive items such as "jeans", other items would be limited only by market demand.

Given support, Vietnam has the potential to develop into an interesting trading partner for the European Community because of its underused natural resources and surplus of skilled labour. Industrial growth has already reached 7% per annum. The Commission should encourage European Community enterprises to invest in Vietnam, especially through joint ventures and, once a cooperation agreement is concluded, should extend the EC Investment Partners Programme (the "Cheysson Facility") to Vietnam for this purpose.

(e) Diplomatic relations

Following the normalisation of relations with the European Community, Vietnam opened a new embassy in Brussels for their accredited Ambassador. The Commission's relations with the Government in Hanoi are currently conducted by the Commission's representative in Bangkok.

Once a framework agreement has been concluded, the Commission could consider the possibility of setting up an office in Hanoi. However the European Parliament has already expressed a wish to begin an interparliamentary dialogue with Vietnam (Resolution of 12 September 1991) and this should begin without delay.

V. THE EUROPEAN COMMUNITY'S RELATIONS WITH CAMBODIA

(a) 1975 - 1989

European Community's relations with Cambodia, since the late 1970s, have been determined by international political factors, rather than by the pressing needs of the Khmer people. A brief explanation is necessary.

During the rule of Pol Pot's Khmer Rouge, from 1975 until the end of 1978, all bourgeois, land-owning and liberal elements were eliminated, as was anyone who resisted the policy of returning Cambodia to a land of subsistence agriculture. It is estimated that over 1 million Khmers perished in this process, either from starvation, epidemics or mass executions. In addition, the new Khmer Government launched aggressive attacks against its neighbours, Thailand and Vietnam, both of which had seized Cambodian territory in earlier centuries.

However, in May 1978 China arranged a truce between the Khmer Rouge and the Thai Government, thus enabling Pol Pot to concentrate his forces against Vietnam. By this time, an anti-Pol Pot faction of the Cambodian Communists had sought sanctuary in Vietnam and had urged the Vietnamese to intervene to protect the Khmers against further acts of genocide. As the Khmer Rouge divisions approached Ho Chi Minh City (Saigon), the Vietnamese Government, claiming the right of self-defence, launched a full-scale invasion of Cambodia in December 1978 and completed the military occupation of the country by January 1979. The Vietnamese then placed the leader of the anti-Pol Pot faction, Hun Sen, as Prime Minister of a new People's Republic of Kampuchea.

For the Vietnamese Government, having friendly regimes in Cambodia and Laos, both backed by the presence of Vietnamese forces, marked a significant step forward towards the creation of a Federation of Indo-China under Vietnamese leadership. For the Thai authorities, this was totally unacceptable, particularly in view of the long historical rivalry between Thailand and Vietnam for influence over Cambodia and Laos. For the Chinese Government, whose relations with the Vietnamese had increasingly soured during the 1970s as their relations with the United States improved, Vietnam's military occupation of Cambodia was equally unacceptable. As China's principal enemy was now the Soviet Union, having an aggressive Soviet ally on its southern flank was alarming. Thus China launched a punitive military attack on the northern provinces of Vietnam, in February 1979.

The Governments of China and Thailand now colluded by providing sanctuaries for Pol Pot's remaining forces on the Thai-Cambodian border (often in the guise of refugee camps), with China supplying large quantities of arms to the Khmer Rouge. Moreover, the United States, still smarting from the Vietnam War, and now in alliance with China against the Soviet Union, stepped up its aid to the other Cambodian opposition groups under Prince Sihanouk and the pro-Western Khmer People's National Liberation Front (KPNLF). This led to the formation

of the so-called Coalition Government of Democratic Kampuchea (CGDK) linking the Sihanoukists, the KPNLF and the Khmer Rouge, under the Prince's titular leadership, in 1982.

The European Community was under great pressure, therefore, not only from its friends in ASEAN and from China, but also from the United States, both to break off all relations with Vietnam and to isolate the new Cambodian Government under Hun Sen. Instead the Community accorded diplomatic recognition to the Coalition Government under Prince Sihanouk. In addition, the Community launched a substantial programme of assistance, in the form of humanitarian aid (food aid, health care, education and training) to Cambodian refugees in the camps along the Thai-Cambodian border. This aid, provided mainly through the U.N. Bureau for Refugee Organisations, amounted to over ECU 25 million in the initial period (1979-1980) and has continued in a more modest, but significant way since (amounting to around ECU 50 million in 1981-1991), mainly in the form of cereals (rice) - supplied with the help of the UNHCR - and, more recently, dried fish. About 350,000 refugees have been assisted in this programme. However, a second programme has also provided aid to around 170,000 displaced persons inside Cambodia. This aid, channelled through NGOs operating in Cambodia, again had its major impact in 1979-1980, when over ECU 37.6 million was awarded in emergency aid and around ECU 49 million in food aid. Since then, emergency aid and food aid together has totalled around ECU 28 million (1981-1991).

(b) Since 1989

Whatever the efforts of the European Community, the United States or the ASEAN countries may have been to resolve the crisis in Cambodia, the two key protagonists have been Vietnam and China. Between 1979 and 1991, their bilateral conflict has been fought out in the hills and in the paddy fields of Cambodia. Only a change of position by both parties could lead to a lasting settlement.

The first to change course was Vietnam. By the mid-1980s, many in the ruling Communist Party had realised that the application of Soviet-style economic policies, rather than solving Vietnam's economic problems, was making them worse. Also, Soviet aid, though massive, was often unreliable. It was, therefore, essential for Vietnam to bring an end to its international isolation and to begin to rebuild bridges to the outside world. The Foreign Minister, Nguyen Co Thach, began to promote a normalisation of relations with all parties - the ASEAN countries, China and the Western countries. Moreover, after a particularly successful campaign against the Khmer Rouge forces during the dry season of 1984-1985, confidence in the army of the Hun Sen Government increased. This led to the withdrawal of Vietnam's armed forces from Cambodia in September 1989.

However, in spite of a number of promising negotiations between the various concerned parties, culminating in the International Conference in Paris in 1989, the Chinese remained adamant that the Hun Sen regime, together with its army, should disappear to make way for the CGDK under Prince Sihanouk. This was quite unacceptable to the Vietnamese, given that the only effective fighting force in the Coalition Government was the Khmer Rouge. Two dramatic events caused the Chinese Government to change its position. The first was the crushing of the Democracy Movement at Tian-An-Men Square, in 1989, which quite alienated China's

Western allies. The second was the US-Soviet rapprochement and the declaration of a "new international order" by the United States, following the Gulf War in early 1991. Now China was isolated and, in order to regain international acceptability, the Chinese Government agreed to a compromise over Cambodia, leading to the start of the implementation of the UN-Peace Plan in October 1991.

This gradual improvement in the political situation encouraged the Commission to expand somewhat its activities in Cambodia. Since 1987, a number of specific development projects have been carried out through NGOs. The level of this aid increased after the Paris Agreements of October 1991 and the setting up of the Supreme National Council under Prince Sihanouk. Aid was also provided in 1991, under the heading of natural disaster relief, when the long period of drought was followed by serious flooding. In January 1992, the Commission pledged ECU 10 million for the repatriation of Cambodian refugees, as part of a UNHCR programme. ECU 350,000 is being provided for a study on the reintegration of these refugees. ECU 1 million will be spent on a joint project with Belgium and Finland for aerial photography, given the present unreliability (or non-existence) of maps. Also, the very serious problem of mine clearance is under study with experts from the Member States.

(c) Tasks ahead

Although this is an encouraging start, it should be realised that this aid amounts to a "drop in the ocean" in comparison to Cambodia's present needs. In spite of the rapid economic liberalisation which has taken place during the latter years of the Hun Sen regime (which extends the free market even to banking and insurance), and a recent increase in foreign investment activity in Phnom Penh (mainly in real estate and hotel construction), the Cambodian economy is in a truly desperate state. Five years of involvement in the Vietnam War was followed by nearly four years of economic implosion under Pol Pot, in turn succeeded by 12 years of civil war and international isolation, save for some assistance from the Soviet Union. That assistance, worth around US 100 million dollars per annum, no longer exists and with it has gone cheap supplies of oil, fertiliser and raw materials. The area under rice cultivation has fallen from 2.4 million hectares in 1969 to 1.8 million hectares in 1991, due to the civil war. Inflation is growing out of control and there is a severe shortage of trained people to administer the economy and to attempt to organise Cambodia's international trade. In effect, Cambodia now lacks all the elements of a basic national infrastructure.

The international community, of which the European Community is an important part, now has a moral obligation to assist the people of Cambodia. Indeed, if Cambodia is to survive, both under UN Administration and, later, under a new elected Cambodian Government, it will have to be more or less "spoon fed" by the international community on a considerable scale for several years. The European Community, which has effectively boycotted Cambodia for over a decade - a policy conducted more in the interests of China and the ASEAN countries than to benefit the Community's own interests - should now play its full part in these efforts. It should support the recent Japanese proposal to hold an international conference on the reconstruction of Cambodia. Of course, for the time being, there is no real Cambodian government with which formal relations can be entertained, but this should in no

way impede the Commission from using its various budgetary instruments to provide assistance as effectively as possible. In the initial phase, the emphasis should be on food aid, humanitarian assistance and training. There is a pressing need for doctors and vets to be sent, as well as qualified engineers to help rebuild irrigation works and restore village water supplies. Also, aid given through NGOs should be increased but not to the detriment of pursuing an overall strategy in which direct Community project aid should play an important part.

In this regard, the European Parliament's Resolution of 12 September 1991 should be recalled, in particular its appeal to the Commission to draw up "a programme of economic and technical cooperation ... to help restore the country's essential infrastructure". The statement issued by the European Community's Member States meeting in European Political Cooperation on 8 November 1991, indicating their readiness to make available contributions to help the peace process in Cambodia through economic and financial assistance, both for the repatriation and rehabilitation programme and for the reconstruction of Cambodia, is to be welcomed. Finally, however, it should be stressed that the people of Cambodia must be given the perspective that international aid will be provided on a long term basis. Only in this way will the necessary confidence be restored to enable the people of Cambodia to begin to help themselves.

VI. GENERAL CONSIDERATIONS REGARDING THE EUROPEAN COMMUNITY'S RELATIONS WITH THE COUNTRIES OF INDO-CHINA

Although Laos, Vietnam and Cambodia are among the poorest of the developing countries of Asia and Latin America (the ALA countries), Laos alone has received aid on a small scale since the European Community began its programme of development cooperation with these ALA countries after 1976. Vietnam and Cambodia were deprived of such assistance until very recently.

For the sake of comparison, it is interesting to consider the total value of aid given to Laos in recent years with that provided to a country of similar size in Latin America.

	<u>Population</u>	<u>GNP per capita</u> (\$ US)	<u>Total EC aid</u> (9) (1986-1990)
Laos	4,024,000	170	ECU 27.3 mio.
Honduras	4,377,000	900	ECU 58.5 mio.

Apart from the specific proposals already mentioned, it must be stressed that Laos, Vietnam and Cambodia should now be given an equitable share of European Community aid, especially under the main Budget Item B7-3000 (Financial and Technical Cooperation with Asian Developing Countries). Secondly, emphasis should be given to the value of training in the next few years, using Items B7-3004 (Training Operations for Nationals of Asian Developing Countries) and Article B7-503 (Training and Education in the Development Field). Thirdly, the Commission should also employ funds from the new development policy areas. As regards "Environment and Health in Developing Countries" (Article B7-504), the emphasis should be on helping the three countries to develop policies of sustainability in the exploitation of their forests. Also, as regards "Human Factors in Development", use should be made of Item B7-5050 - Aid for population policies (particularly for

Vietnam) and Item B7-5052 - Women in Development.

The European Community can also play a small but important role in the development of infrastructure and energy. The problem of the inadequacy of roads, railways, inland waterways and telecommunications is, in part, a regional one - also involving the need for better links with Thailand. For example, the project to build a railway from Ho Chi Minh City (Saigon) the relatively short distance to Phnom Penh (about 150 kilometres) would effectively serve to join Vietnam's railway system through Cambodia to Thailand's extensive network, permitting trains to run through to Bangkok (and even onwards to Singapore). Thus, the Commission could usefully assist with undertaking a pre-feasibility study for better regional infrastructure links. In addition, given the vast potential of Laos to expand its production of hydro-electric power to supply much of the future needs of Vietnam, Cambodia and Thailand, the Commission could also help with studies for the regional development of electricity supply. For such schemes, use could be made of Budget Items B7-3002 (Measures to encourage regional or sub-regional integration between Asian Developing Countries) and B7-3003 (Cooperation with Asian Developing Countries on Energy).

Of course, the financial capacity of the European Community to assist with such major projects must not be exaggerated, nor even to provide aid for smaller projects on more than a limited scale. However, these weaknesses can partly be overcome in two ways. First, the Commission and the Governments of the Member States should try, as far as possible, to dovetail their respective aid efforts so as to have greater impact. Secondly, the Community as a whole should press for substantial sums to be provided for development aid for Laos, Vietnam and Cambodia through the major international aid agencies, in particular the World Bank, the Asian Development Bank and the Mekong Valley Committee, especially in the form of soft loans. Also, the IMF should assist these countries to overcome their foreign debt problems.

However, this last point raises the question of the political conditions attached to providing aid to these countries.

#### VII. POLITICAL CONDITIONS FOR IMPROVING THE EUROPEAN COMMUNITY'S RELATIONS WITH THE COUNTRIES OF INDO-CHINA

If the European Community has given so little help to the countries of Indo-China since the late 1970s, this is partly due to their having been under Communist rule and partly due to Vietnam's perceived aggression in Cambodia. Undoubtedly, however, it has also been due to considerable diplomatic pressure having been put on the Community and its Member States by the Governments of China, the ASEAN countries and the United States.

Following the brutal repression of the Democracy Movement in Tian-An-Men Square, the Chinese Government is no longer in a position to offer advice to the European Community as regards foreign policy.

As for the ASEAN countries, they were always more concerned by Vietnam's expansionist policies with regard to Laos and Cambodia than by Vietnam's internal developments. The attitude of the ASEAN countries towards Vietnam has changed dramatically with the settlement of the problem of Cambodia. Indeed, in their Declaration following their Summit Meeting in Singapore, on 28 January 1992, the ASEAN

Leaders stated that "ASEAN will play an active part in international programmes for the reconstruction of Vietnam, Laos and Cambodia". Moreover, in a flurry of diplomatic activity, the ASEAN countries, Vietnam and Laos are working towards the accession of Vietnam and Laos to ASEAN's Treaty of Amity and Cooperation of 1976. It is hoped that Cambodia may also be in a position to sign this Treaty later, which is seen as a stepping stone to all three countries joining ASEAN at some future stage.

Finally, there is the United States which, throughout the 1980s, maintained an embargo on both Vietnam and Cambodia which effectively prevented aid from reaching either of them from the main international donor agencies. Large funds from these agencies are essential for financing major infrastructure projects. Now, however, even the US position is changing. The embargo on Cambodia was lifted in 1991. As regards Vietnam, relations are still impeded by the issue of the MIA's (former US servicemen who went "missing in action" and who are still unaccounted for). This emotive issue is greatly exaggerated by the United States due to the sensitivity of American public opinion. However, following four visits of the special presidential envoy, General Vessey, to Hanoi, who is pursuing a "road map" towards a normalisation of US-Vietnamese relations, the US Government announced in March 1992 the award of US 3 million dollars in humanitarian aid to Vietnam. Although it may be difficult for the US Government to lift the embargo during an election year, this will surely come soon, and the European Community should encourage the United States in this direction.

Within the European Community, other arguments are put up to deter an improvement in relations with the countries of Indo-China : economic reforms have not gone far enough, the political systems are not democratic, there are still abuses of human rights. Such arguments require examination.

In fact, the Governments of all three countries are embarked on programmes of economic reforms aimed at growing liberalisation. By and large, these reforms have been successful which, in turn, encourages further reform measures. However, this trend away from central planning and state ownership is not confined to the Communist countries of Asia but can be found also in India, Pakistan, Sri Lanka, Indonesia, and so on. Economic lessons are being learned.

Secondly, although parliamentary democracy is very limited in both Laos and Vietnam by Western standards (it may come to Cambodia if the UN plan is successfully carried out), the situation is not worse than in a number of other Asian countries with which the European Community has happily concluded cooperation agreements - China, or the Philippines (as part of the ASEAN cooperation agreement), concluded during the Marcos era (not to mention certain countries in Latin America). Moreover, political liberalisation is continuing slowly in Laos and Vietnam. Respect for human rights is far from satisfactory, but neither is it satisfactory in China or in several other countries in South and South-East Asia. A major problem in much of this region is the absence of the Western concept of a "loyal opposition" which results, in part, from the effects of the Cold War struggle in the region and, in certain countries (including Vietnam), is due to the still pervading ideas of Confucianism. The European Community is right to continue to put pressure on these countries to improve their

democracy and their respect for human rights but this should not prevent the Community from developing normal relations, including contractual relations, with Laos and Vietnam, and with Cambodia once the new government is established.

Already Japan, Taiwan, the ASEAN countries and Australia are rapidly developing a presence in this region. The three countries of Indo-China all want the European Community to play an active and important role, both for the benefits which bilateral relations will bring, but also as a counterweight to Japan, China and the United States in the region. Hitherto, the European Community has neglected the countries of Indo-China, its policy has been determined mainly by others and it has left others to exert influence in the region. This must change and the European Community should no longer hesitate to undertake a rapid expansion of its relations with Laos, Vietnam and Cambodia and to encourage the Community's private sector to do the same. The Commission should now draw up an action programme setting out its future policy towards Laos, Vietnam and Cambodia.



## NOTES

1. Britannica World Data - 1991 Annual. 1990 population estimate
2. Idem. 1988 estimate. Latest Commission estimates show little change.
3. Idem. 1988 estimate.
4. O.J. No. C290 of 14.11.1988, page 155.
5. O.J. No.C323 of 27.12.1989, page 102 and O.J. No. C149 of 18.6.1990, page 164.
6. O.J. No. C267 of 14.10.1991 pages 163-164.
7. Document PE 154.227.
8. Britannic World Data - 1991 Annual.
9. Britannica World Data. Total EC aid figures supplied by EC Commission and refers to sum of Development Cooperation, Economic Cooperation and Humanitarian Aid, but not NGO co-financing.

MOTION FOR A RESOLUTION

tabled pursuant to Rule 63 of the Rules of Procedure  
by Mr VISSER

on the economic and commercial relations between the European Community and  
Indochina (Vietnam, Laos and Cambodia)

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The European Parliament,

- A. whereas in its resolution of 17 May 1990 it requested to resume diplomatic and commercial relations between the EEC and Vietnam,
- B. whereas it has also requested the Community aid for development to be carried out; whereas two new budgetary items (B7-5074 and B7-5075) have been added in order to provide the NGOs with the necessary resources to conduct the reintegration and repatriation of 'boat people',
- C. considers that the economic development of these countries could be one of the most important factors to reduce the migration of 'boat people',
- D. whereas the strength of traditional relations between the European Community and the above mentioned countries as well as the potentialities of the Indochina's market,
- E. whereas the EEC has decided to reestablish diplomatic relations with Vietnam,
1. Instructs its relevant committee to study the evolution of the economic and commercial relations between the European Community and Indochina (Vietnam, Laos and Cambodia).