

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 6th December 1979

PROPOSAL FOR A COUNCIL REGULATION (EEC)
CONCLUDING THE COOPERATION AGREEMENT BETWEEN THE
EUROPEAN ECONOMIC COMMUNITY AND INDONESIA,
MALAYSIA, THE PHILIPPINES, SINGAPORE AND THAILAND -
MEMBER COUNTRIES OF THE ASSOCIATION OF THE
SOUTH-EAST ASIAN NATIONS

(submitted to the Council by the Commission)

Explanatory Memorandum

1. By decision of 29 October 1979, the Council authorised the Commission to open negotiations with Indonesia, Malaysia, the Philippines, Singapore and Thailand - member countries of the Association of the South-East Asian Nations, with a view to the conclusion of a cooperation agreement.

2. In accordance with that Council decision, and in consultation with the Article 113 Committee, the Commission conducted negotiations with Indonesia, Malaysia, the Philippines, Singapore and Thailand on 8 November and 29-30 November 1979.

In the course of the negotiations, a draft agreement was drawn up.

The draft agreement :

- (i) is non preferential and of an evolutionary nature;
- (ii) provides for a clause on most favoured nation treatment and a Protocol which takes into consideration the fact that one of the Parties (Thailand) has not acceded to the General Agreement on Tariffs and Trade;
- (iii) aims to consolidate, deepen and diversify commercial relations between the two regions and provides for a clause whereby the Parties will seek their counterpart's views on measures likely to have an adverse effect on trade between the two regions;
- (iv) shall bring about economic cooperation in all fields deemed suitable by the Parties; in addition, the chapter on economic cooperation contains provisions to give effect to the paragraph of the Ministerial Declaration of November 1978 on investment promotion and protection;
- (v) recognises the level of development of the ASEAN countries;
- (vi) provides for a Joint Cooperation Committee to supervise and promote the various activities envisaged;

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The Heads of the Delegations exchanged the text of the draft Agreement on 30 November 1979 having noted that it correctly represented the results of the negotiations.

3. The Commission considers that the draft Agreement is acceptable to the Community. It therefore recommends that the Council :

- (i) pending conclusion of the Agreement takes the necessary decisions in connection with the signing thereof;
- (ii) adopts the Regulation, the draft of which is annexed hereto.

PROPOSAL
COUNCIL REGULATION (EEC) No.

of

concluding the Cooperation Agreement between the European Economic Community and Indonesia, Malaysia, the Philippines, Singapore and Thailand - member countries of the Association of the South-East Asian Nations

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 Parliament¹⁾,

Whereas the conclusion of the Cooperation Agreement between the European Economic Community and Indonesia, Malaysia, the Philippines, Singapore and Thailand - member countries of the Association of the South-East Asian Nations 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 sphere of the common commercial policy,

HAS ADOPTED THIS REGULATION :

Article 1

The Cooperation Agreement between the European Economic Community and Indonesia, Malaysia, the Philippines, Singapore and Thailand - member countries of the Association of the South-East Asian Nations, the text of which is annexed to this Regulation, is hereby concluded on behalf of the Community.

(1) Opinion delivered on

.../...

Article 2

Pursuant to Article 8 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 Community¹⁾.

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

(1) The date of entry into force of the Agreement will be published in the Official Journal of the European Communities.

COOPERATION AGREEMENT
BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND
INDONESIA, MALAYSIA, THE PHILIPPINES,
SINGAPORE AND THAILAND -
MEMBER COUNTRIES OF THE ASSOCIATION OF THE
SOUTH-EAST ASIAN NATIONS

The Council of the European Communities of the one part,

and the Governments of Indonesia, Malaysia, the Philippines, Singapore and Thailand - member countries of the Association of South-East Asian Nations, hereinafter referred to as ASEAN,

of the other part,

Having regard to the friendly relations and traditional links between the member countries of ASEAN and the Member States of the Community;

Affirming their common commitment to support mutually the efforts of ASEAN and the Community to create and to strengthen regional organisations committed to economic growth, social progress and cultural development and aiming to provide an element of balance in international relations;

Inspired by their common will to consolidate, deepen and diversify their commercial and economic relations to the full extent of their growing capacity to meet each other's requirements on the basis of comparative advantage and mutual benefit;

Affirming their willingness to contribute to the expansion of international trade in order to achieve greater economic growth and social progress;

Conscious that such cooperation will be between equal partners but will take into account the level of development of the member countries of ASEAN and the emergence of ASEAN as a viable and cohesive grouping, which has contributed to the stability and peace in South-East Asia;

Persuaded that such cooperation should be realised in an evolutionary and pragmatic fashion as their policies develop;

Affirming their common will to contribute to a new phase of international economic cooperation and to facilitate the development of their respective human and material resources, on the basis of freedom, equality and justice;

Have decided to conclude a Cooperation Agreement and to this end have designated as their plenipotentiaries:

The Council of the European Communities

The Government of the Republic of Indonesia

The Government of Malaysia

The Government of the Republic of the Philippines

The Government of the Republic of Singapore

The Government of the Kingdom of Thailand

Who having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

.../...

Article 1

Most-favoured Nation Treatment

The 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, without prejudice, however, to the provisions of the protocol annexed to this agreement.

Article 2

Commercial Cooperation

1. The Parties undertake to promote the development and diversification of their reciprocal commercial exchanges to the highest possible level taking into account their respective economic situations;
2. The Parties agree to study ways and means of overcoming trade barriers, and in particular existing non-tariff and quasi tariff barriers, taking into account the work of international organisations;
3. The Parties shall in accordance with their legislation and in the conduct of their policies:
 - (a) cooperate at the international level and between themselves in the solution of commercial problems of common interest including trade related to commodities;
 - (b) use their best endeavours to grant each other the widest facilities for commercial transactions;
 - (c) take fully into account their respective interests and needs for improved access for manufactured, semi-manufactured and primary products as well as the further processing of resources;
 - (d) bring together economic operators in the two regions with the aim of creating new trade patterns;
 - (e) study and recommend trade promotion measures likely to encourage the expansion of imports and exports;
 - (f) seek in so far as possible the other parties' views where measures were being considered which could have an adverse effect on trade between the two regions.

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Article 3

Economic Cooperation

1. The Parties, in the light of the complementarity of their interests and of their long-term economic capabilities, shall bring about economic cooperation in all fields deemed suitable by the Parties.

Among the objectives of such cooperation shall be:

- the encouragement of closer economic links through mutually beneficial investment;
- the encouragement of technological and scientific progress;
- the opening up of new sources of supply and new markets;
- the creation of new employment opportunities.

2. As means to such ends, the Parties shall as appropriate encourage and facilitate inter alia:

- a continuous exchange of information relevant to economic cooperation as well as the development of contacts and promotion activities between firms and organisations in both regions;
- the fostering, between respective firms, of industrial and technological cooperation, including mining;
- cooperation in the fields of science and technology, energy, environment, transport and communications, agriculture, fisheries and forestry.

In addition the Parties undertake to improve the existing favourable investment climate inter alia through the extension, by and to all Member States of the Community and by and to all member countries of ASEAN, of investment promotion and protection arrangements which endeavour to apply the principle of non-discrimination, aim to ensure fair and equitable treatment and reflect the principle of reciprocity.

.../...

3. Without prejudice to the relevant provisions of the Treaties establishing the Communities, this Agreement and any action taken thereunder shall in no way affect the powers of any of the Member States of the Communities to undertake bilateral activities with any of the member countries of ASEAN in the field of economic cooperation and conclude, where appropriate, new economic cooperation agreements with these countries.

Article 4

Development Cooperation

1. The Community recognises that ASEAN is a developing region and will expand its cooperation with ASEAN in order to contribute to ASEAN's efforts in enhancing its self-reliance and economic resilience and social wellbeing of its peoples through projects to accelerate the development of the ASEAN countries and of the region as a whole.
2. The Community will take all possible measures to intensify its support, within the framework of its programmes in favour of non-associated developing countries, for ASEAN development and regional cooperation.
3. The Community will cooperate with ASEAN to realise concrete projects and programmes, inter alia, food production and supplies, development of the rural sector, education and training facilities and others of a wider character to promote ASEAN regional economic development and cooperation.
4. The Community will seek a coordination of the development cooperation activities of the Community and its Member States in the ASEAN region especially in relation to ASEAN regional projects.
5. The Parties shall encourage and facilitate the promotion of cooperation between sources of finance in the two regions.

Article 5

Joint Cooperation Committee

A Joint Cooperation Committee shall be set up to promote and keep under review the various cooperation activities envisaged between the Parties in the framework of the Agreement. Consultations shall be held in the Committee at an appropriate level in order to facilitate the implementation and to further the general aims of the present Agreement. The Committee will normally meet at least once a year. Special meetings of the Committee shall be held at the request of either Party.

The Joint Cooperation Committee shall adopt its own Rules of Procedure and programme of work.

.../...

Article 6

Other Agreements

Subject to the provisions concerning economic cooperation in Article 3(3), the provisions of this Agreement shall be substituted for provisions of Agreements concluded between Member States of the Communities and Indonesia, Malaysia, the Philippines, Singapore and Thailand to the extent to which the latter provisions are either incompatible with or identical to the former.

Article 7

Territorial Application

This Agreement shall apply to the territory of Indonesia, Malaysia, the Philippines, Singapore and Thailand and to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty.

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Article 8

Duration

This Agreement shall enter into force on the first day of the month following the date on which the Parties have notified each other of the completion of the procedures necessary for this purpose, and shall remain in force for an initial period of five years and thereafter for periods of two years subject to the right of either party to terminate it by written notice given six months before the date of expiry of any period.

However, the Agreement may be amended by mutual consent of the Parties in order to take into account new situations.

Article 9

Authentic Languages

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

Protocol
concerning Article 1 of the Agreement

1. According to the provisions of this protocol, the European Economic Community and a party that is not a contracting party of the General Agreement on Tariffs and Trade shall, with regard to imported or exported goods, grant each other most-favoured nation treatment in all matters relating to:

- customs duties and charges of all kinds including the procedures for collecting such duties and charges;
- regulations concerning customs clearance, transit, warehousing or transshipment;
- direct or indirect taxes and other internal charges;
- regulations concerning payments including the allocation of foreign currency and the transfer of such payments;
- regulations affecting the sale, purchase, transport, distribution and use of goods on the internal market.

2. Paragraph 1 shall not apply to:

- (a) advantages granted to neighbouring countries to facilitate frontier-zone traffic;
- (b) advantages granted with the object of establishing a customs union or a free trade area or as required by such a customs union or free trade area;
- (c) advantages granted to particular countries in conformity with the General Agreement on Tariffs and Trade;
- (d) advantages which the member countries of the Association of the South-East Asian Nations grant to certain countries in accordance with the Protocol on Trade negotiations between developing countries in the context of the General Agreement on Tariffs and Trade;
- (e) advantages granted or to be granted within the framework of ASEAN provided these do not exceed those that are granted or may be granted within the framework of ASEAN by member countries of ASEAN which are contracting parties of the GATT.