

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(75) 324 final

Brussels, 26 June 1975

RECOMMENDATION FOR A REGULATION (EEC) OF THE COUNCIL

on conclusion of an Agreement
between
the European Economic Community
and the United Mexican States

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(submitted by the Commission to the Council)

COM(75) 324 final

1. At its session of 3 March 1975 the Council adopted guidelines for the negotiations to be opened with Mexico with a view to concluding an agreement. The negotiations occupied two sessions, held on 29/30 April and 9/10 June 1975. The French text of the agreement was finalized at the last negotiation meeting on 10 June 1975.

2. This is commercial cooperation agreement broadly in pattern with agreements of this type previously concluded by the Community with other developing countries. The agreement with Mexico is not so described, however, since the Mexican delegation preferred the simple term "agreement" to a description which did not tally with their initial request for a cooperation agreement of broader scope.

It should be noted that the Mexican delegation explained, in the course of the negotiations, that certificates of origin were required in Mexico only in cases where preferential advantages were granted, in line with Latin America's progress towards integration. Consequently, both delegations agreed that it was not necessary for the agreement to lay down provisions in this respect.

Finally, the negotiation directives had entrusted the Commission with the task of seeking to obtain from Mexico/^aCommitment on non-discriminatory access to the natural resources of that country and on protection of Community investments in Mexico. In neither case was it possible to

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bring Mexico to agree on texts that would satisfy the Community's requests. It was felt by the Commission that the Joint Committee would provide possibilities for discussing these problems and that it was preferable not to include in the agreement the meaningless formulations proposed by the Mexicans.

3. The negotiations resulted in an agreement between the EEC and Mexico, with an exchange of letters annexed to it. These texts are in conformity with the directives adopted by the Council on 3 March 1975. The Commission accordingly considers that it has accomplished the task entrusted to it by the Council and therefore recommends that the Council set in hand the procedures for signing and concluding the Agreement with Mexico.

4. With a view to concluding and implementing the Agreement, the Commission addresses herewith to the Council :

- a Recommendation for a Regulation on conclusion of the Agreement between the EEC and Mexico together with the Exchange of Letters.

RECOMMENDATION FOR REGULATION (EEC) OF THE COUNCIL

on the conclusion of an Agreement between
the European Economic Community and the
United Mexican States

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THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Articles 113 and 114 thereof;

Having regard to the Recommendation from the Commission;

Whereas the Agreement negotiated between the European Economic Community
and the United Mexican States should be concluded;

HAS ADOPTED THIS REGULATION :

Article 1

The Agreement between the European Economic Community
and the United Mexican States, the text of which is annexed to this
Regulation, is hereby concluded on behalf of the Community.

Article 2

The President of the Council is hereby authorized to
designate the persons empowered to sign the Agreement and to confer
on them the powers required in order to bind the Community.

Article 3

The Community shall be represented on the Joint Committee
provided for in Article 6 of the Agreement by the Commission of the Euro-
pean Communities, assisted by representatives of the Member States.

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Article 4

This Regulation shall enter into force on the third 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,

A G R E E M E N T
BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND
THE UNITED MEXICAN STATES

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THE COUNCIL OF THE EUROPEAN COMMUNITIES

of the one part,

THE GOVERNMENT OF THE UNITED MEXICAN STATES,

of the other part,

HAVING REGARD to the friendly relations and traditional links between Mexico and the Member States of the European Economic Community and their common desire to develop and balance their reciprocal trade and to extend their trade and economic cooperation;

INSPIRED by their determination to strengthen, deepen and diversify these relations for their mutual benefit;

ADHERING to the spirit of cooperation which inspires them;

CONVINCED that a trade policy based on cooperation is an ideal instrument for fostering the development of international economic relations;

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 this agreement and to this end have designated as their Plenipotentiaries :

THE COUNCIL OF THE EUROPEAN COMMUNITIES :

THE GOVERNMENT OF THE UNITED MEXICAN STATES :

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

HAVE AGREED AS FOLLOWS :

Article 1

The Contracting Parties are resolved to develop their trade to their mutual benefit and, to this end, will establish and encourage trade and economic cooperation in all sectors of interest to them so as to contribute to their economic and social progress and to the balance of their reciprocal trade at the highest possible level taking into account Mexico's special situation as a developing country.

Article 2

1. The Contracting Parties shall , in their trade relations, grant each other most-favoured-nation treatment in all matters relating to :

- customs duties and charges of all kinds on imports or exports, including the procedures for collecting such duties and charges;
- regulations concerning customs clearance, transit, warehousing or transshipment of imported or exported products;
- taxes and other internal charges directly or indirectly imposed on imported or exported goods or services;
- arrangements governing the quantity of imports and exports;
- regulations concerning payments in respect of trade in goods or services, including the allocation of foreign currency and the transfer of such payments;
- regulations affecting the sale, purchase, transport, distribution and use of goods and services on the internal market.

2. Paragraph 1 shall not apply to :

- (a) advantages granted by the Contracting Parties to neighbouring countries to facilitate frontier-zone traffic;
- (b) advantages granted by the Contracting Parties 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 ;

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- (c) other advantages which the Contracting Parties grant to particular countries in conformity with the General Agreement on Tariffs and Trade;
- (d) other advantages which Mexico grants 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 by Mexico to any Latin American or Caribbean country or group of countries.

Article 3

The Contracting Parties undertake to promote the development and diversification of their reciprocal trade to the highest possible level.

Article 4

The Contracting Parties will develop their economic cooperation, where linked with trade, in fields of mutual interest and in the light of developments in their economic policies.

Article 5

With a view to implementing Articles 3 and 4, the Contracting Parties agree to foster contacts and cooperation between their firms and institutions with a view to undertaking concrete economic cooperation projects which are likely to contribute to the development and diversification of their trade.

Article 6

1. A Joint Committee shall be established comprising representatives of the Community and of Mexico. It shall hold one session each year. Additional sessions may be convened by mutual agreement.
2. The Joint Committee shall ensure the proper functioning of this Agreement and may formulate recommendations to this end.
3. The Joint Committee shall adopt its own rules of procedure and programme of work.
4. The Joint Committee may set up specialized subcommittees to assist it in carrying out such tasks as it shall determine.

Article 7

The Joint Committee shall in particular :

- (a) examine the difficulties which might hinder the growth and diversification of trade between the Contracting Parties;
- (b) study and devise ways of overcoming trade barriers, in particular non-tariff barriers in various sectors of trade, taking into account the principles and commitments agreed to by the two Contracting Parties within international bodies and the relevant work undertaken in this field by the international organizations concerned with such problems;
- (c) seek and recommend the implementation of the means necessary to foster, between the Contracting Parties, greater trade and economic cooperation such as to contribute to the development and diversification of their trade;
- (d) study and recommend trade promotion measures likely to encourage the development and diversification of imports and exports so as to foster balanced trade at the highest possible level ;
- (e) study and recommend ways and means of facilitating contacts for cooperation between Community and Mexican firms with the aim of adapting existing trade patterns and marketing structures progressively to the attainment of the Contracting Parties' long-term economic objectives;

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- (f) identify, taking into account the specific interests of Mexico, the various sectors and products likely to contribute to a broadening of reciprocal trade flows and recommend measures to promote and encourage trade which would enable these flows to develop in the mutual interest and in accordance with the economic policies of the two Parties;

- (g) facilitate exchanges of information and encourage contacts on all subjects bearing upon the prospects for cooperation in the economic field between the Contracting Parties on a mutually advantageous basis and the creation of favourable conditions for such cooperation.

Article 8

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; national defence or the maintenance of peace and international security; the protection of health and life of humans, animals or plants; the protection of national treasures possessing artistic, historic or archaeological value; the protection of industrial and commercial property; or rules relating to gold and silver or limiting the export, use or consumption of nuclear materials, radioactive products or any other material utilized in the development or use of nuclear energy. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Contracting Parties.

Article 9

The provisions of this Agreement shall be substituted for provisions of agreements concluded between Member States of the Community and Mexico where the latter provisions are either incompatible or identical with the former.

Article 10

This Agreement shall apply to the territories where the Treaty establishing the European Economic Community applies, on the conditions established in the said Treaty, and to the territory of the United Mexican States.

Article 11

The Annex forms an integral part of this Agreement.

Article 12

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

2. This Agreement is concluded for a period of five years and shall be extended from year to year if neither Contracting Party denounces it six months before it expires.

3. If both Contracting Parties agree, this Agreement may be amended to take account of emerging situations in the economic field and the evolution of economic policies on either side.

Article 13

This Agreement is drawn up in two copies in the Danish, Dutch, English, French, German, Italian and Spanish languages, each text being authentic.

A N N E X

Joint Declaration on Article 6
of the Agreement

1. The representatives of the Contracting Parties in the Joint Committee will transmit any agreed recommendations to their respective authorities for consideration and appropriate action to be taken as speedily and effectively as possible. In the event of the representatives of the Contracting Parties within the Joint Committee being unable to evolve a recommendation on a matter considered by either Contracting Party to be urgent or important, they will submit the views of the two sides to their authorities.

2. The Joint Committee will, when making proposals and recommendations, have due regard to the United Mexican States' development plans and policies and to the progress of the Community's economic, industrial, social, scientific and environmental policies as well as to the level of economic development of the Contracting Parties.

3. The Joint Committee will examine opportunities and make recommendations for the efficient utilization of all available instruments, in addition to the most-favoured-nation clause and the generalized scheme of preferences, in order to promote trade in items of interest to the United Mexican States.

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4. The Joint Committee will study opportunities for expanding economic cooperation as an additional factor furthering development of mutual trade.

Declaration by the European Economic Community
on generalized preferences

On 1 July 1971 the Community autonomously introduced a Generalized Scheme of Preferences on the basis of Resolution 21 (II) of the Second United Nations Conference on Trade and Development of 1968. The Community is prepared, in the course of its endeavours to improve this system, to take into account the interest of the United Mexican States in the inclusion of new products and in the improvement of terms relating to some of those already included with a view to broadening and strengthening its trade relations with the Community.

Exchange of letters concerning transport

Sir,

I have the honour to inform you as follows :

Taking into account the interest shown during the negotiation of the Agreement between the Community and Mexico/^{the}in transport sector, particularly sea transport, the Parties agree to examine in the Joint Committee any problems which may arise in this sector in order to seek mutually satisfactory solutions.