

# European Community



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## PRESS RELEASE

### EC-CHINA TRADE ACCORD CONCLUDED

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China and the European Community initialled a five-year non-preferential trading agreement on 3 February.

Designed to boost and diversify commerce between the two sides, the accord is the EC's second with a Communist country; the other is with Yugoslavia.

The agreement replaces China's bilateral trade accords with EC member states, which expired at the end of 1974. China undertakes to consider favourably imports from the EC, while the Community will gradually remove restrictions on imports from China.

A joint commission will meet annually to supervise the functioning of the agreement.

China formally recognized the Community in 1975.

The EC is now China's second largest trading partner, after Japan. Trade between the EC and China amounted to about \$2.49 billion in 1976, European exports totalling \$1.1 billion. China exports mostly food and raw materials to the EC, whereas 90% of the EC's exports to China consist of machinery, industrial equipment, chemicals and manufactured goods.

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