

# European Community



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## PRESS RELEASE

### PACT "SHOWS CHINA'S APPROVAL OF EUROPEAN INTEGRATION"

#### Large Market for EC, Technical Help for China

The following is the text of the speech made by Wilhelm Haferkamp, Vice-President of the EC Commission, on the occasion of the signing of the trade agreement between the EC and China in Brussels on 3 April 1978.

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The trade agreement between the European Community and the People's Republic of China is important not only for economic reasons but also - and above all - for political reasons. I should like to take this opportunity to stress these political aspects once again.

1 - The agreement is a sign of the trust between the Peoples's Republic of China and the European Community. This is particularly important in a world in which mutual trust is more necessary than ever to overcome economic and political tensions.

2 - The agreement demonstrates the favourable attitude of the People's Republic of China towards the political unification of the peoples of Europe. China has expressed its approval of European integration and recognized it as a significant factor helping to make world peace more secure. The European Community arose from the spirit of cooperation between its peoples. This principle of cooperation also determines the Community's external relations. Our agreement is a further expression of this positive will - and is directed against no-one.

3 - The European Community welcomes China's opening toward Europe. China's importance for the world economic and political scene, based on the magnitude and influence of its history, culture, philosophy and political life over thousands of years right up to the present day, is inescapable.

The agreement is the beginning of a development that will be of benefit to both sides.

Europe can contribute to China's technical and economic development and thus improve the possibilities for strengthening its economy and raising its standard of living.

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In this way, a large and receptive market can develop in China for the products of the Community economy.

We are determined to impart life to the agreement in the same friendly and constructive spirit in which we are signing it today.

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Contents of the Agreement Summarized

The agreement is non-preferential and has been concluded for a period of five years with provision for tacit renewal from year to year.

Its aim is to promote and intensify trade between the EC and China. The two parties confirm their determination to take all appropriate measures to create favourable conditions for trade between them and to do all they can to improve the structure of their trade in order to diversify it further.

The agreement lays down a number of rules to facilitate trade development:

- the two parties will accord each other most-favoured nation treatment, particularly as regards tariffs;
- the parties will make every effort to help, each by its own means, to attain a balance in their trade and, should an obvious imbalance arise, the matter will be examined within a Joint Committee so that appropriate measures can be recommended;
- China will give favourable consideration to imports from the EC. The Community, for its part, will strive for an increasing liberalization of imports from China;
- provision is made for friendly consultations for the purpose of seeking mutually satisfactory solutions to any problems which may arise in trade. In exceptional cases, either party may take measures but must endeavour as far as possible to hold friendly consultations before doing so;
- the two parties undertake to improve the conditions under which visits, by persons, groups and delegations and industrial and technical contacts connected with trade take place and to foster the organization of fairs and exhibitions by both sides;
- the agreement contains a price clause to the effect that trade in foods and the provision of services will be effected at market-related prices.

The agreement will be administered by a Joint Committee which will normally meet once a year.

The agreement can be expected to enter into force shortly when the necessary procedures have been completed by both parties.

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