European Community

News Release

EC, YUGOSLAVIA INITIAL NEW TRADE AND COOPERATION AGREEMENT

The European Community and Yugoslavia concluded,on 25 February,negotiations for an Agreement to improve trade and cooperation. The Agreement was initialled by Mr. Wilhelm Haferkamp, Vice-President of the Commission responsible for External Relations, and Mr. Stojan Andov, Member of the Yugoslav Federal Executive Council.

The primary objective of the Agreement is to improve the balance in EC-Yugoslav trade which produced an adverse balance for the latter country of $3.5 billion in 1979. The Agreement gives Yugoslavia free access to the Community for its industrial goods and some agricultural products.

Besides trade, the agreement covers tourism, industrial, scientific, technical, transport and environmental cooperation. A financial protocol provides for loans of over $280 million to Yugoslavia from the European Investment Bank.

The new accord replaces the Non-preferential Agreement signed in 1973 and will last indefinitely, although the trade and financial clauses will be subject to renegotiation after five years.

Yugoslavia is unique: not only is it a European and Mediterranean country, but it is also a developing and non-aligned one. The Yugoslav government has constantly expressed its desire to extend political and economic cooperation with the Community. The Joint Declaration of Belgrade of 2 December 1976 demonstrated the mutual desire of Yugoslavia and the EC to see their relations deepen and diversify. The European Community by this agreement hopes to contribute to the continuing political independence and economic stability of Yugoslavia.

On the invitation of the President of the Yugoslav Federal Executive Council, Mr. Vesilin Djuranovic, EC Commission President Roy Jenkins, will pay an official visit to Yugoslavia on 27-29 February to discuss the implications of the new Agreement and the development of EC-Yugoslav cooperation in a larger context.

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NR (80) 6
27 February