

DEVELOPING COUNTRIES (ASIA)

OBJECTIVES: to strengthen trading links, intensify trade cooperation and promote the regional integration of developing countries in this part of the world.

MULTILATERAL RELATIONS: Community relations with the ASEAN Countries (Association of South-East Asian Nations) date back to 1972.

The purpose of ASEAN, which was set up in Bangkok in August 1967, is to speed up economic progress and to promote stability in this area through greater cooperation in the political, economic and cultural fields.

The Member States of ASEAN are Indonesia, the Philippines, Thailand, Malaysia and Singapore.

In May 1975 a joint Commission-ASEAN working party was set up with a view to furthering and intensifying the dialogue between ASEAN and the Community and as a mechanism for jointly exploring areas in which cooperation might be stepped up. This working party usually meets twice a year.

BILATERAL RELATIONS: the Community has signed agreements of various kinds with certain Asian countries.

Types of agreements:

- non-preferential trade cooperation agreements,
- agreements on trade in textiles (under the Multifibre Arrangement (\*II/A/7)),
- agreements on trade in silk and cotton fabrics woven on hand looms,
- agreements on trade in certain handicraft products,
- agreements on trade in certain coconut fibre and jute products,
- various agreements such as the agreement on sugar.

Features of these agreements:Non-preferential trade cooperation agreements:

- the two parties grant each other most-favoured-nation treatment in respect of tariffs;
- non-discrimination as regards free movement of imports and exports;
- encouragement of trade development and diversification;
- a Joint Cooperation Committee has been set up with the task of discussing the elimination of various sorts of barriers to trade and the adoption of effective measures to step up these countries' exports e.g. market surveys, sales promotion, establishment of links between importers and producers, provision of information to possible investors on the possibilities of the local market and any other measures justified by the development of the situation.

Agreements on trade in textile products (\*II/A/7)

Agreements on trade in certain handicraft products and agreements on trade in silk and cotton fabrics woven on handlooms: under these agreements the Community has affirmed its willingness to open one-year Community tariff quotas, free of duty up to certain ceilings. In addition, it guarantees, in particular, equal and continuous access to these quotas for all importers and the uninterrupted application of the rate arranged for these quotas to all imports until they have been fully used up.

Agreements on trade in coconut fibre and jute products: the object of these agreements is to guarantee increasing utilization of jute and coconut fibre products and the orderly development of trade in these products between the

Community and the countries concerned. Under these agreements the Community unilaterally applies suspended CCT duties to manufactured coconut fibre and jute products in accordance with agreed rates and an agreed timetable. The Community will not subject imports to further quantitative restrictions, the aim being that existing quantitative restrictions should even be gradually phased out.

A Joint Cooperation Committee has also been set up under these agreements.

Sugar agreement: this agreement relates solely to Indian sugar exports under a similar arrangement to the ACP sugar protocol. This agreement provides that the Community should purchase sugar, at a guaranteed price, up to an amount agreed between the two parties.

Trade agreements signed with the Asian countries:

- non-preferential trade cooperation agreements: India (from 1.4.74 for five years), Sri Lanka (from 1.12.75 for five years), Bangladesh (from 1.12.76 for five years), Pakistan (from 1.7.76 for five years) and China (from 1.6.78 for five years);
- agreements on trade in textile products which entered into force at 1.1.78 for five years: India, Sri Lanka, Bangladesh, Pakistan, Thailand, Singapore, Malaysia, Indonesia, the Philippines, Hong Kong, South Korea and Macao;
- agreements on trade in hand-woven silk and cotton fabrics (of unlimited duration): India (from 1.7.68), Sri Lanka (from 1.6.75), Bangladesh (from 1.11.74), Pakistan (initialled on 20.6.70), Thailand (from 1.1.73), Indonesia (from 1.1.78) and Laos (from 1.6.75);
- agreements on trade in certain handicraft products (of unlimited duration): India (from 1.9.69), Sri Lanka (from 1.9.71), Bangladesh (from 1.11.74), Pakistan (from 1.9.69), Thailand (from 1.9.71), Indonesia (from 1.9.71), Philippines (from 1.9.71) and Laos (from 1.6.75);
- agreement on sugar, of unlimited duration, with India (from 18.7.75);
- agreement, following an exchange of letters, on trade in coconut fibre products with a view to bringing them under the Generalized System of Preferences (of unlimited duration): Sri Lanka (from October 74) and Thailand (from 1.1.75);
- agreement on trade in jute products: Bangladesh (retrospectively from 1.1.76 to 31.12.79);
- agreements on trade in certain handicraft products, of unlimited duration: Malaysia (from 1.1.76) and Iran (from 1.9.71).

ROLE OF EUROPEAN PARLIAMENT (EP): an EP delegation visited the member countries of ASEAN in July/August 1975 and since then informal contact has been maintained.

The Commission keeps the appropriate EP committees informed of any developments in the agreements signed with the developing countries in Asia.