

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 13 December 1973

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RECOMMENDATION FOR REGULATION (EEC) OF THE COUNCIL

on the conclusion of a Commercial Cooperation Agreement between
the European Economic Community and the Republic of India
and adopting provisions for its implementation

(submitted to the Council by the Commission)

Recommendation from the Commission to the Council on the
conclusion of a Commercial Cooperation Agreement between
the EEC and India.

1. At its meeting on 3 April 1973 the Council authorized the Commission to enter into negotiations with India on a Commercial Cooperation Agreement and adopted certain guide-lines for these negotiations. On this basis four negotiating sessions were held (April, June, September and October 1973) between the Commission and the Indian delegation.
2. The English text of the Agreement between the European Economic Community and India was finalised at the last negotiating session held on 30 October 1973.
The Commission delegation was led by Mr. W. Ernst, Director-General for External Relations of the Commission, and the Indian delegation by H.E., Mr. K.B. Lall, Ambassador Extraordinary and Plenipotentiary, Head of the Indian Mission to the European Communities.
3. The negotiated texts are the following:
 - The Commercial Cooperation Agreement between the European Economic Community and the Republic of India and three annexes thereto, including three Declarations and one exchange of letters.

The English texts of the documents have already been made available to representatives of Member States in the Article 113 Committee.
4. The Agreement and annexes thereto are the outcome of the negotiations between the Indian and Community delegation. They are consistent with the guide-lines adopted by the Council at its meeting on 3 April 1973.

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The Commission therefore considers that it has completed the task entrusted to it by the Council, and recommends that the Council initiate the procedure for the signature and conclusion of the Agreement with India.

5. With a view to the conclusion and implementation of the Agreement, the Commission herewith transmits to the Council:

- a recommendation for a regulation on the conclusion of the Agreement and the annexes thereto.

RECOMMENDATION FOR REGULATION (EEC) OF THE COUNCIL

on the conclusion of a Commercial Cooperation Agreement between the European Economic Community and the Republic of India and adopting provisions for its implementation

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 of the Commission;

WHEREAS the Commercial Cooperation Agreement negotiated between the European Economic Community and the Republic of India should be concluded;

HAS ADOPTED THIS REGULATION:

Article 1

The Commercial Cooperation Agreement between the European Economic Community and the Republic of India, the text of which is annexed to this Regulation, shall be 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 Commission provided for in Article VII of the Agreement by the Commission, assisted by representatives of the Member States.

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

I/508/73-E

COMMERCIAL COOPERATION AGREEMENT BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND THE REPUBLIC OF INDIA.

THE COUNCIL OF THE EUROPEAN COMMUNITIES, for the one part,

THE GOVERNMENT OF INDIA, for the other part,

HAVING REGARD to the friendly relations and traditional links between India and the Member States of the Community and their mutual desire to consolidate and expand their commercial and economic relations,

INSPIRED by their common will to consolidate, deepen, and diversify their economic and commercial relations to the full extent of their growing capacity to meet each other's requirements on the basis of comparative advantage and mutual benefit,

CONSIDERING that trade is not an end in itself but means for achieving wider economic and social objectives,

VIEWING modern commercial policy as an important instrument for furthering international economic cooperation,

DESIROUS of making their contribution to a new phase of international economic cooperation commensurate with their respective human, intellectual and material resources,

BELIEVING that the time is opportune to give a new impetus to the mutual relationship between the enlarged Community and India,

AFFIRMING their common commitment to the promotion of international economic relationship founded on freedom, equality, justice and progress,

HAVE DECIDED to conclude a Commercial Cooperation Agreement and to this end have designated as their plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF THE REPUBLIC OF INDIA:

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

HAVE AGREED AS FOLLOWS:

ARTICLE I

The two Parties are determined to develop their commercial exchanges on the basis of comparative advantage and mutual benefit so as to contribute to their economic and social progress and to the improvement of the balance of their mutual trade at a level as high as possible.

ARTICLE II

The two Parties shall accord to each other in their commercial relations most favoured nation treatment in accordance with the provisions of the GATT.

ARTICLE III

The two Parties shall grant each other the highest degree of liberalization of imports and exports which they generally apply to third countries and undertake to discuss in regard to products of interest to either Party ways and means of providing maximum facilities compatible with their respective policies and obligations.

ARTICLE IV

The two Parties shall undertake to promote to the highest possible level the development and the diversification of Community's imports from India and India's imports from the Community. Both Parties shall take all appropriate steps to achieve these results, including such particular measures which are relevant to the pattern and potential of their commercial exchanges. Further they agree to support the institutions which have been or may be set up by them to enhance contacts and cooperation between their economic organizations.

ARTICLE V

The two Parties recognize that cooperation between organizations concerned in the field of exports to, and in the field of economic relations with, third countries, especially developing countries, can contribute to the diversification of their mutual contacts and to an expansion of international trade. Accordingly they undertake to examine the possibilities of promoting such cooperation and to create favourable conditions for furthering it.

ARTICLE VI

The two Parties may develop economic cooperation, when linked with trade, in fields of mutual interest to both Parties and in the light of developments in the economic policies of the Community and of India.

ARTICLE VII

There shall be set up a Joint Commission for commercial cooperation composed of representatives of the Community and representatives of India. The Joint Commission shall meet as often as necessary and at least once a year at an agreed date and place. Extraordinary meetings may be convened by agreement at the request of either Party. The Joint Commission may set up specialized sub-commissions to assist it in the performance of its tasks.

ARTICLE VIII

It shall be the task of the Joint Commission to ensure the proper functioning of this Agreement, to devise practical measures to achieve its goals and to discuss and pursue effectively, in the light of its principles and objectives, all matters which may arise in the course of its implementation. It shall be incumbent upon it to examine any difficulties likely to hinder the development and diversification of the commercial exchanges between the two Parties and to recommend practical measures for action by the Community and India, as appropriate.

ARTICLE IX

The Joint Commission shall in particular be required:

- a) to seek ways and means of encouraging the development of economic and commercial cooperation between the Community and India, in so far as this would promote the development and diversification of trade and bring benefits to both Parties;

- b) to study and devise ways and means to overcome trade barriers and in particular existing non-tariff and quasi-tariff barriers in the various sectors of trade, taking into account the relevant work undertaken in this field by concerned international organizations;
- c) to examine and recommend ways and means for the progressive adaptation of their trade pattern and marketing structures with a view to promoting the evolution of their commercial and economic relations in accordance with their complementary possibilities, as well as the long-term objectives of the economies of both Parties, so as to rectify imbalances and avoid maladjustments;
- d) to facilitate exchanges of information on all subjects which may bear upon cooperation possibilities in the economic field and creation of favourable conditions for such cooperation on mutually advantageous bases between the Community and India.

ARTICLE X

The contracting Parties agree that it shall equally be the task of the Joint Commission to ensure the proper functioning of the sectoral agreements concluded or yet to be concluded between the Community and India on jute, coir and cotton textiles and cottage industry goods (handicrafts and handloom fabrics) and that, to this end, it shall exercise the responsibilities entrusted to the joint commissions set up under these agreements.

ARTICLE XI

The Joint Commission shall adopt its own rules of procedure and programme of work.

ARTICLE XII

The provisions of this Agreement substitute those provisions of agreements concluded between Member States of the Community and India to the extent to which these are either incompatible or identical with them.

ARTICLE XIII

The Annexes form an integral part of this Agreement.

ARTICLE XIV

The Agreement shall apply to the territories where the Treaty establishing the European Economic Community applies, on the conditions established in this Treaty, and to the territories to which the constitution of the Republic of India applies.

ARTICLE XV

a) This Agreement shall enter into force on the first day of the month following the date on which the Parties have notified each other of the completion of the procedures necessary for this purpose. It is concluded for a period of five years. It shall be extended from year to year if neither Party denounces it six months before the date of expiry.

b) If both Parties agree, modifications to this Agreement may, however, be introduced at any time to take account of emerging situations and evolving policies.

ARTICLE XVI

This Agreement is drawn up in two copies in the Danish, Dutch, English, French, German, Hindi and Italian languages, each of these texts being equally authentic.

JOINT DECLARATION CONCERNING ART. 7 OF THE AGREEMENT.

1. The level of representation from the two sides in the Joint Commission shall be as high as appropriate, depending upon the importance of the agenda.
2. The representatives of both Parties in the Joint Commission will transmit the agreed recommendations to their respective authorities for consideration and action as speedily and effectively as possible.
In the event of the Joint Commission being unable to evolve a recommendation on a matter considered by either Party to be urgent or important, it shall submit the view of the two sides to the respective authorities for further consideration.
3. The Joint Commission should, while making proposals and recommendations, have due regard to India's development plans and to the progress of economic, industrial, social, environmental and scientific policies of the Community as well as to the level of economic development of both Parties.
4. The Joint Commission would examine possibilities of and make recommendations for an efficient and coherent utilization of all available instruments, besides MFN tariffs and Generalized Preferences, to promote the trade of items of interest to India.
5. The first meeting of the Joint Commission would take place as soon as possible after the entering into force of this Agreement. The exact date, venue and agenda will be decided through diplomatic channels.

Brussels,

Sir,

During the discussions which led to the conclusion this day of the Commercial Cooperation Agreement between the EEC and the Republic of India, the Community declared that it is prepared to bind the tariff suspensions already applied autonomously in respect of the products listed below which are of particular interest to India. These concessions shall remain valid until they are confirmed or modified under GATT, with the agreement of both Parties.

List of products concerned:

CCT Heading No.	Description	Binding proposed %
09.02	Tea:	
	A. In immediate packings of a net capacity not exceeding 3 kg	5
	B. Other	Free
09.04	Pepper of the genus "Piper"; pimento of the genus "Capsicum" or the genus "Pimenta"	
	A. Neither crushed nor ground:	
	I. Pepper:	
	a) for the industrial manufacture of essential oils or resinoids	Free
09.08	Nutmeg, mace and cardamoms:	
	B. Crushed or ground:	
	III. cardamoms	Free
41.02	Bovine cattle leather (including buffalo leather) and equine leather, except leather falling within heading nos. 41.06, 41.07 or 41.08:	
	A. East India kip, whole, whether or not the heads and legs have been removed, weighing each not more than 4,5 kg net, not further prepared than vegetable tanned, whether or not having undergone further preservative treatment with oil, but obviously unsuitable for immediate use in the manufacture of leather articles	Free

We should be grateful, if you would be kind enough to confirm, on behalf of the Republic of India, the above-mentioned understanding.

I avail myself, Sir, of this opportunity to renew the assurances of my highest consideration.

Mr.
Head of the Indian delegation

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Brussels,

Sir,

I have the honour to acknowledge receipt of your letter of which reads as follows:

"During the discussions which led to the conclusion this day of the Commercial Cooperation Agreement between the EEC and the Republic of India, the Community declared that it is prepared to bind the tariff suspensions already applied autonomously in respect of the products listed below which are of particular interest to India. These concessions shall remain valid until they are confirmed or modified under GATT, with the agreement of both Parties.

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	B. Other	Free
09.04	Pepper of the genus "Piper"; pimento of the genus "Capsicum" or the genus "Pimenta"	
	A. Neither crushed nor ground:	
	I. Pepper:	
	a) for the industrial manufacture of essential oils or resinoids	Free
09.08	Nutmeg, mace and cardamoms:	
	B. Crushed or ground:	
	III. Cardamoms	Free
41.02	Bovine cattle leather (including buffalo leather) and equine leather, except leather falling within heading nos. 41.06, 41.07 or 41.08:	
	A. East India kip, whole, whether or not the heads and legs have been removed, weighing each not more than 4,5 kg net, not further prepared than vegetable tanned, whether or not having undergone further preservative treatment with oil, but obviously unsuitable for immediate use in the manufacture of leather articles	Free

We should be grateful, if you would be kind enough to confirm, on behalf of the Republic of India, the above-mentioned understanding."

On behalf of the Republic of India I have the honour to confirm the above-mentioned understanding.

I avail myself, Sir, of this opportunity to renew the assurances of my highest consideration.

Mr.
Head of the Community delegation

ANNEX III

DECLARATION OF THE COMMUNITY CONCERNING
TARIFF ADJUSTMENTS

The Community confirms that the Generalized Scheme of Preferences (G.S.P.) which was autonomously put into force by the EEC on 1 July 1971 on the basis of resolutions of 1969, No. 21 (II) of the second conference of UNCTAD includes products for which in the course of the negotiation of the Commercial Cooperation Agreement, signed this day, total tariff suspensions were requested by India.

The Community is prepared, in the course of its endeavours to improve the system of Generalized Preferences, to take into account the interest of India in the extension and strengthening of its trade relations with the Community.

The Community is also prepared to examine in the Joint Commission the possibilities for further tariff adjustments to promote the development of trade between India and the Community.

The Community understands, that India will also be prepared to discuss in the Joint Commission the Community's proposals, if any, in regard to tariff adjustments by India bearing on the development of trade between the two Parties, taking into consideration India's development needs.

DECLARATION OF INDIA CONCERNING TARIFF ADJUSTMENTS

India understands that the Community is prepared, in the course of its endeavours to improve the system of Generalized Preferences, to take into account the interest of India in the extension and strengthening of its trade relations with the Community. In this connection, India will identify for consideration by the Community the areas in which Community's 1974 GSP Scheme can be improved, more especially in the context of the provisions of the Joint Declaration of Intent.

India further understands that the Community is also prepared to examine in the Joint Commission the possibilities of further tariff adjustments to promote the development of trade between India and the Community.

In this connection India will notify to the Community the list of the products in respect of which total tariff suspension is desired for being examined in the first meeting of the Joint Commission.

India will also be prepared to discuss in the Joint Commission the Community's proposals, if any, in regard to tariff adjustments by India bearing on the development of trade between the two Parties, taking into consideration India's development needs.