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Report

drawn up on behalf of the Committee on Relations with African States and Madagascar

on the proposal of the Commission of the European Communities to the Council (Doc. 43/72) on the Association Agreement for the accession of Mauritius to the Convention of Association between the EEC and the African and Malagasy States associated with that Community

Rapporteur: Mr Horst SEEFELD

Ref. PE 30.180/def.

In a letter of 19 May 1972 the Council of the Communities consulted the European Parliament, in accordance with Article 238 of the Treaty, on the Association Agreement for the accession of Mauritius to the Convention of Association between the European Economic Community and the African and Malagasy States associated with that Community signed at Port-Louis (Mauritius) on 12 May 1972 (Doc. 43/72).

On 2 June 1972 this agreement was referred for examination to the Committee on Relations with African States and Madagascar as the committee responsible, in compliance with Rule 38 of the Rules of Procedure.

On 9 June 1972 the Committee appointed Mr Seefeld rapporteur. At the same meeting it unanimously adopted the motion for a resolution and explanatory statement.

The following were present: Mr Achenbach, Chairman
Mr Fellermaier, Vice-Chairman
Mr Dewulf, Vice-Chairman
Mr Seefeld, Rapporteur
Mr Aigner, Mr Glinne,
Mr Laudrin and Mr Spénale

C O N T E N T S

	<u>Page</u>
A. Motion for a resolution	5
B. Explanatory statement	7
I. Introduction	7
II. Scope of the Agreement	8
III. Conclusions	9

The Committee on Relations with African States and Madagascar hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

returning the Opinion of the European Parliament on the Association Agreement for the accession of Mauritius to the Convention of Association between the European Economic Community and the African and Malagasy States associated with that Community,

The European Parliament,

- having regard to the application for accession to the Second Yaoundé Convention made by Mauritius on 9 September 1971;
- having been consulted by the Council in accordance with Article 238 of the Treaty establishing the EEC (Doc. 43/72);
- having regard to its resolution of 17 December 1971¹;
- having regard to the report by its Committee on Relations with African States and Madagascar (Doc. 66/72);

1. Welcomes the conclusion of the Agreement for the accession of Mauritius to the Second Yaoundé Convention;
2. Trusts that its association with the EEC will enable Mauritius to improve its economic and social situation and in particular to correct the disequilibrium in its balance of trade;
3. Is glad to note that the financial resources of the European Development Fund, which is of great importance for the industrialization and diversification of the economy, have been increased from 900 to 905 million u.a.;
4. Invites the Member States of the European Economic Community to expedite the ratification procedure so as to enable Mauritius to enjoy the full benefits of the Association, and
5. Welcomes the adoption of temporary measures enabling representatives of Mauritius to attend, even before ratification, the meetings of the institutions of the Association and to submit to the Commission and the

¹Official Journal C 2, 11 January 1972, p. 34

European Investment Bank projects and programmes for European financing;

6. Considers that the accession of Mauritius to the Association illustrates the attraction exerted by Euro-African cooperation, and attaches symbolic value to it because Mauritius is the first Commonwealth country to have opted for the Association, even before the United Kingdom's accession to the EEC has been finalized;
7. Hopes that the accession of Mauritius will also help to draw the French-speaking and English-speaking parts of Africa closer together;
8. Again emphasizes the unique character of the Yaoundé Convention and trusts that it will be further developed and, if possible, extended, in particular, to other African countries, because it is in the interests of both Africa and Europe to exploit its political possibilities;
9. Rejects the criticisms that have been levelled at the EEC's policies on preferences and association because the association of the AAMS is the most effective form of development aid so far introduced anywhere in the world;
10. Requests its President to forward this resolution and the accompanying explanatory statement to the Council and Commission of the European Communities and, for information, to the Government and Parliament of Mauritius and to the EEC/AAMS Association Council.

EXPLANATORY STATEMENTI. Introduction

1. The Association Agreement for the accession of Mauritius to the Convention of Association between the European Economic Community and the African and Malagasy States associated with that Community was signed on 12 May 1972 at Port-Louis, Mauritius. The basic negotiations conducted between the Community and Mauritius with a view to including the latter among the beneficiaries of the Second Yaoundé Convention, signed on 29 July 1969, were successfully concluded on 8 March in Brussels. Moreover, on 20 March the EEC Council decided to increase the resources of the Third European Development Fund for the benefit of Mauritius.

2. Sir Seewoosagur Ramgoolam, Premier of Mauritius, applied for accession to the Yaoundé Convention on behalf of his Government in a letter of 9 September 1971. On 31 January 1972 the Council of Ministers authorized the Commission of the European Communities to enter into the necessary negotiations; these began on 1 March and were quickly brought to successful conclusion. From the moment the application was made, the European Parliament strongly supported the accession of Mauritius to the Yaoundé Convention¹.

3. The accession of Mauritius to the Yaoundé Convention is a turning point in the EEC policy of aid to the developing countries. Mauritius is in fact the first country in the Commonwealth to have taken up the political option in favour of association with the EEC, even before the final accession of the United Kingdom to the Community. The fact that the Premier of Mauritius himself conducted the negotiations in Brussels illustrates the political importance of the event.

4. The nineteen other Commonwealth countries have until August 1973 to state whether they also wish to be associated with the EEC on a basis similar to that of the Yaoundé Convention, or whether they only want a more flexible form of association with the EEC (or to conclude a commercial agreement). Talks are already in progress on this subject both among the Commonwealth countries and with the African and Malagasy States associated with the EEC.

¹Report by Mr H. Seefeld, Doc. 211/71 of 16 December 1971

II. Scope of the agreement

5. The Association Agreement confers the same rights and imposes the same obligations on Mauritius as on the AAMS signatories to the Yaoundé Convention.

6. As regards trade, products originating in the six EEC Member States are to be imported by Mauritius at a preferential rate according to a timetable that will remain valid until 31 December 1974 at the latest. With a few exceptions, including sugar, the exports of Mauritius will have free access to the EEC market. Sugar is of decisive importance for Mauritius¹; until 1975, however, sugar produced there will continue to be marketed in accordance with the provisions of the Commonwealth Sugar Agreement. A permanent arrangement will have to be made when a new Association Convention is negotiated and the Commonwealth Sugar Agreement expires.

7. By acceding to the Convention, Mauritius benefits from all the provisions designed to promote the industrialization of the Associated States. Trade and financial measures will be taken to encourage production and secure an outlet for it on the EEC market.

8. As soon as the Association Agreement comes into force, Mauritius will get the full benefit of the provisions on financial and technical cooperation in Title II of the Yaoundé Convention. For this purpose, the European Development Fund has been endowed with supplementary credits; its financial resources have been increased from 900 to 905 million u.a. Mauritius will also obtain loans to be extended by the European Investment Bank from its own funds; interest rebates may be granted on these loans at rates depending on the nature of the investments. The contemplated financial and technical cooperation measures take into account the remoteness of Mauritius from industrialized centres and the desirability of encouraging regional cooperation between Associated States. To promote the development of economic relations between Mauritius and the EEC, a number of measures are planned regarding the right of establishment, the supply of services, financial transactions and capital movements.

9. The Association Agreement also stipulates that on accession to the Yaoundé Convention Mauritius will be represented on all the bodies of the Association.

¹Sugar represents 90 per cent of the exports of Mauritius.

III. Conclusions

10. The accession of Mauritius to the Second Yaoundé Convention is of great importance in so far as it provides a way of improving its economic and social situation. The geographic range of the trade of Mauritius is very limited and it has a large deficit in its balance of trade with the Community; the ratio of its imports from European countries to its exports to Europe is 25 to 1 and the Community should do everything it can to correct this disequilibrium.

11. The Association Agreement signed on 12 May still has to be ratified by the Member States of the Community and Mauritius before it can come into force. The EEC Member States ought therefore to expedite the ratification procedure so as to enable Mauritius to enjoy the full benefits of the Association as soon as possible.

12. To prevent any difficulties due to delays in the Agreement's entry into force, temporary measures have been taken whereby representatives of Mauritius are to be allowed to attend meetings of the institutions of the Association as observers, even before ratification. Moreover, the Commission and the European Central Bank must continue to provide Mauritius with the same facilities as those granted to the other countries of the Association.

13. The Commission will continue to study the possibilities of extending the Second Yaoundé Convention to other countries of the Association that is as from 1 August 1973, the Contracting Parties will consider what provisions could be made to apply for a further period.

14. The accession of Mauritius to the Yaoundé Convention illustrates the attraction exerted by the Community's association policy. It will be valuable as a test case; at the same time, it constitutes the first evidence of a spirit of confidence in the Yaoundé Convention on the part of a Commonwealth country and is thus of symbolic importance. Moreover, it will help to draw the French-speaking and English-speaking parts of Africa closer together.

15. The Association between Europe and Africa was and remains a great success. The pursuit of this cooperation, which is a model of its kind, its further development and, if possible, its extension in Africa in particular, provide Europe with political possibilities that ought to be exploited. The European system of development aid prevails over others because it is based on the principle of equal rights and represents a judicious combination of commercial arrangements, financial and technical assistance and joint institutions, which should be further amplified and strengthened. The Yaoundé Convention serves as a unique example and the criticisms levelled at this policy of association and preferences, particularly by the United States, are not borne out by the facts.