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A3-0022/91

R E P O R T

of the Committee on External Economic Relations
on economic relations between the European Community and Chile

Rapporteur: Mr Gary TITLEY

PE 146.161/fin.
Or. EN

A Series: Reports - B Series: Motions for Resolutions, Oral Questions - C Series: Documents received from other Institutions (e.g. Consultations)

*	= Consultation procedure requiring a single reading	**II	= Cooperation procedure (second reading) which requires the votes of a majority of the current Members of Parliament for rejection or amendment
I	= Cooperation procedure (first reading)	*	= Parliamentary assent which requires the votes of a majority of the current Members of Parliament

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At the sitting of 23 November 1990 the President of the European Parliament announced that he had forwarded the motion for a resolution by Mr Simmonds on a trade and cooperation agreement with Chile, pursuant to Rule 63 of the Rules of Procedure, to the Committee on External Economic Relations as the committee responsible.

At its meeting of 29 November 1990 the committee decided to draw up a report and appointed Mr Titley rapporteur.

At its meetings of 28 January 1991 and 7 February 1991 the committee considered the draft report.

At the last meeting it adopted the resolution unanimously.

The following took part in the vote: De Clercq, chairman; Cano Pinto, Stavrou and Moorhouse, vice-chairmen; Aglietta, Braun-Moser, Christensen I. (for Moretti), de Vries, Hindley, Lenz (for Estgen), Miranda de Lage, Peijs, Randzio-Plath, Rossetti, Sonneveld (for Lemmer), Spencer and Tsimas.

The report was tabled on 7 February 1991.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

MOTION FOR A RESOLUTION

on economic relations between the European Community and Chile

The European Parliament,

- having regard to the motion for a resolution by:
 - . Mr Simmonds on a trade and cooperation agreement with Chile (B3-1706/90)
- having regard to its resolution of 16 May 1990 ¹⁾ on Chile and of 23 January 1987 ²⁾, on economic relations between the European Community and Latin America,
- having regard to the Commission proposal for a Council decision on the conclusion of a trade and economic cooperation agreement between the European Economic Community and Chile (COM(90) 560 final),
- having regard to the declaration on relations between the European Community and the Rio Group adopted at the Rome Conference of 20 December 1990 by the representatives of the European Community and its member states, and member countries of the Rio Group,
- having regard to the report of the Committee on External Economic Relations (A3-0022/91),
- A. whereas the expansion of trade relations between the Community and Chile has not been commensurate, in past years, with the potential of the regions in question,
- B. whereas, at the European Council in Strasbourg on 8 and 9 November 1989, the Community confirmed its intention "to contribute to the economic and social development of a democratic Chile, in particular in the framework of a future cooperation agreement",
- C. whereas in Latin America and Chile the burden of foreign debt (with its economic, political and social repercussions) prevents their harmonious development, hampers their capacity to diversify internal production and reinforces their dependency on foreign countries,
- 1. Welcomes the trade and cooperation agreement between the Community and Chile signed on 20 December 1990, which corresponds to the criteria set out in its resolution of 16 May 1990 ³⁾;
- 2. Considers that the agreement contains a series of elements which could contribute towards strengthening economic relations between the parties

¹⁾ O.J. n. C 149, 18.6.1990.

²⁾ O.J. n. C 46, 23.2.1987.

³⁾ O.J. n. C 149, 18.6.1990.

and supporting economic development and the defence of democracy in Chile; this concerns in particular

- cooperation in the social sector and support for programmes aimed at improving living and working conditions,
 - cooperation in the environment, and in the scientific and technological sector,
 - cooperation in professional training, and in the sector of public administration,
 - cooperation in the cultural sector, and in particular in the fields of information and communication;
3. Considers in particular that, with regard to the democratic clause contained in the agreement, the instruments to ensure its application and possible sanctions must be more precisely defined;
 4. Highlights, in this context, the commitment made to encouraging and promoting scientific and technological cooperation, and supports in particular the development of relations between the research centres of both parties, which would enable mutual problems to be solved jointly and assist both technology transfer and the exchange of information;
 5. Notes that democratic principles and respect for human rights form the basis of EC/Chile relations; hopes that future developments in Chile will make it possible to overcome the obstacles caused by the permanence of the past dictator as Commander of the Armed Forces, by the fact that persons connected with the previous regime remain in high offices of State, by the amnesty law of 1978, by the Constitution and the labour laws designed by the past regime;
 6. Points out that Chilean exports to the Community are still dependent to a high degree (52%) on exports of copper, and that greater diversification should be sought, in particular by supporting small and medium-sized undertakings, joint ventures and foreign investments;
 7. Recalls its resolution of 23 January 1987 ⁴⁾ stating "the desirability for the countries of Latin America to be able increasingly to diversify their flow of goods, thereby strengthening both regional economic integration and trade with the Community"; furthermore, the EP considered "that there is an urgent need for substantial reform of the Common Agricultural Policy, which is largely responsible for the growing problems encountered by the developing countries in producing and exporting basic agricultural products"; notes that the failure of the recent GATT negotiations on agricultural concerns and Community policy in this sector confirms the need to reform the CAP;
 8. Welcomes the positive evolution of foreign direct investment flows towards Chile, in particular following the launch of the debt/equity swap programme; points out however that foreign debt servicing will become, for structural reasons, a severe constraint on Chilean economic policies

⁴⁾ O.J. n. C 46, 23.2.1987.

- starting from 1991; calls on the Member States to look into measures for reducing or cancelling Chile's debts towards them;
9. Welcomes the conclusions of the Rome Ministerial Conference of 20 December 1990, in particular concerning
 - the need to obtain a greater rapprochement between the EC and Latin America on political and economic matters and a heightened degree of cooperation by means of adequate institutional arrangements,
 - the decision to consider, at the next ministerial meeting, on 26-27 April 1991, modalities of access by Latin American countries to the resources of the EIB, to the Community scientific and technological programs, and promotion of joint projects among Latin American countries in the field of science and technology,
 10. Repeats its request to the Commission formulated in the resolution of 23 January 1987 ⁵⁾ that it should "consider, as a matter of urgency, the possibility of drawing up a wider and more coordinated political and economic agreement between the Community and Latin America making it possible to take more initiatives in the social, political and economic fields than under the present agreements, and based in certain respects on the Lomé Convention"; account should be taken, however, of the criticism of this Convention already expressed by Parliament;
 11. Encourages the Chilean Government to give more emphasis to regional integration in Latin America, given the fact that the build-up of regional cooperative structures is one of the policy focuses of the European Community;
 12. Stresses the need to mobilize sufficient resources, in the Community budget, to implement the orientations and decisions indicated in the preceding paragraphs; regrets the Council's decision, on 18 December 1990, to reduce by 250 million ECU (as compared with the Commission's proposals) the funds for cooperation with Asian and Latin American developing countries over the 1991-1995 period;
 13. Instructs its President to forward this resolution to the Commission, the Council, the Governments of Member States and of the Republic of Chile, and to the Board of Governors of the European Investment Bank.

⁵⁾ O.J. n. C 46, 23.2.1987.

B

EXPLANATORY STATEMENT

The explanatory statement is contained in document PE 146.160 (draft report on the EC/Chile cooperation agreement).

MOTION FOR A RESOLUTION

by Mr SIMMONDS

pursuant to Rule 63 of the Rules of Procedure
on a trade and cooperation agreement with Chile

The European Parliament.

- A. Having regard to the forthcoming negotiations between the Community and the Republic of Chile, on which economic and trade relations between the two countries will be based,
- B. Whereas this agreement opens up a new era in the relations between the Community and Chile following the reinstatement of democratic government in Chile,
- C. Having regard to the importance of the agreement in creating a general framework for relations between the Community and Latin America,
 1. Instructs its relevant committee to study the future agreement between the Community and the Republic of Chile in the context of the political and economic evolution of that country, and of its economic relations with third countries and the Community.