

Delegation of the Commission
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EC AND ANDEAN PACT SIGN COOPERATION AGREEMENT

A cooperation agreement between the European Community and the Andean Pact nations - Bolivia, Colombia, Ecuador, Peru and Venezuela - will be signed December 17 in Cartagena, Colombia.

The five-year accord, the first of its kind between the Community and a regional group in Latin America, is aimed at improving trade and encouraging industrial, scientific and technical cooperation between the two sides.

"Cooperation between the Andean Pact and the Community dates back a long way," Wilhelm Haferkamp, vice president of the Commission of the European Communities, said in remarks prepared for the signing ceremony. "But in the absence of a formal agreement, its full potential could not be tapped. This will now be possible."

Under the agreement, which will be executed by a joint committee, the two sides will grant each other most-favored-nation trading status and seek to expand and diversify trade relations.

Noting that Latin America is playing an increasingly important role in world affairs, Haferkamp said a close relationship between the EC and the Andean Pact "is a contribution to a more balanced international scene." It will also give a "fresh impetus" to regional integration in Latin America, he said.

Formal negotiations for an EC-Andean Pact agreement began in June 1980, but they were suspended the next month following a military takeover in Bolivia. Both sides had agreed at a ministerial meeting earlier that year in Brussels that they firmly supported pluralist democracies. Negotiations resumed last June, after the return of a democratic regime to Bolivia, and were completed October 28.

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Trade between the Community and the Andean Pact countries has expanded during the last six years, with EC imports increasing from \$2.1 billion in 1976 to \$4.6 billion in 1982. The principal beneficiary of the increased trade has been Venezuela, whose main export to the Community is oil. Leading exports to the Community from the other Andean countries are: Bolivia - tin, lead and zinc; Colombia and Ecuador - coffee; Peru - coffee, lead and zinc.

Community exports to the Andean region, mostly manufactured goods, have risen more slowly - from \$2.5 billion in 1976 to \$4.3 billion in 1982.

Colombia and Venezuela are also linked to the Community by bilateral textile trade agreements negotiated in 1982 for the period 1983-1986.

Haferkamp called for increased European investment in the Andean Pact region, noting that it now accounts for only about 8 percent of the Community's investment in Latin America. "It is high time to bring business people closer together," he added. "The mining and energy sectors, for example, would undoubtedly constitute promising areas for industrial cooperation."
