

IP(92)597

**INFORMACION A LA PRENSA • PRESSE-MEDDELELSE • MITTEILUNG AN DIE PRESSE
ΑΝΑΚΟΙΝΩΣΗ ΓΙΑ ΤΟΝ ΤΥΠΟ • PRESS-RELEASE • INFORMATION A LA PRESSE
INFORMAZIONE ALLA STAMPA • MEDEDELING AAN DE PERS • COMUNICADO DE IMPRENSA**

Brussels, 16 July 1992.

441-2(3)
441-2(3)B

EC Supports Triangular Trade in Central and Eastern Europe

The European Community's support for triangular trade is aimed at reviving commercial ties between the countries of central and eastern Europe by financing purchases under the Community's assistance programme (PHARE) in one country in the region for the benefit of another. The Community has just completed its second triangular operation, which involved supplying almost 90,000 tonnes (11 MECUs) of bread-making wheat from Czechoslovakia for delivery to Romania. The Commission worked closely with the Governments of Czechoslovakia and Romania, and the European private sector on this and appreciates their cooperation in all aspects of the operation.

The Community believes that it is essential that operations of this kind help maintain or establish trade links on the basis of comparative advantage between the countries of central and eastern Europe. This will play a vital role in the transformation of the region by fostering development of new commercial opportunities for each country taking advantage of economies of scale and specialisation, creating a more favorable environment for private foreign investment, and encouraging broader economic cooperation with other countries in the region.

The first triangular operation supported by the Community took place in September 1991 and involved the purchase of 50,000 tonnes (5 MECUs) of wheat in Hungary for Albania. Moreover, of the 500 million ECU credit guarantee allocated to the Russian Federation, 16% has been used for triangular operations (CSFR, Hungary, Romania and Poland). Also, under the programme for assistance to the former Soviet Union, central and eastern European countries can participate in up to 50 percent of the 1.25 billion ECU loan offered to the former Soviet Union in the areas of food and medical assistance. The Commission is currently considering further transactions of this kind and hopes to undertake several in the near future. The Commission would encourage other donors to do the same.