

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(78) 68 final.

Brussels, 22 February 1978.

RECOMMENDATION FOR A COUNCIL REGULATION (EEC)

concluding the Trade Agreement between the
European Economic Community and the People's
Republic of China

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(presented by the Commission to the Council)

COM(78) 68 final.

RECOMMENDATION FROM THE COMMISSION TO THE COUNCIL
ON THE CONCLUSION OF THE TRADE
AGREEMENT BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND THE PEOPLE'S REPUBLIC OF CHINA

1. At its meeting held on 22 November 1977 the Council adopted directives for the negotiations to be opened with the People's Republic of China for the conclusion of a trade agreement. On the basis of these directives negotiations took place between the Commission and a Chinese Delegation from 30 January to 3 February 1978.

2. The head of the Commission's Delegation was Sir Roy Denma, the Commission's Director-General for External Relations; the Chinese Delegation was led by Mr Sun Sou-Chang, Director of the Third Department in the Ministry of Foreign Trade.

3. The negotiated French text of the Trade Agreement between the European Economic Community and the People's Republic of China has already been made available to the representatives of the Member States in the Article 113 Committee.

4. The Agreement expresses the results of the negotiations between the Community and Chinese Delegations. It conforms to the directives adopted by the Council at its meeting held on 22 November 1977.

The Commission considers, therefore, that it has fulfilled the task entrusted to it by the Council and consequently recommends that the Council initiate the procedures for the signature and conclusion of the Agreement with China.

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

a recommendation for a Regulation concluding the Trade Agreement between the European Economic Community and the People's Republic of China.

RECOMMENDATION FOR A COUNCIL REGULATION (EEC)
concluding the Trade Agreement between the
European Economic Community and the
People's Republic of China

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the recommendation from the Commission,

Whereas the Trade Agreement negotiated between the European Economic Community and the People's Republic of China, signed in Brussels on should be concluded,

HAS ADOPTED THIS REGULATION:

Article 1

The Trade Agreement between the European Economic Community and the People's Republic of China is hereby approved on behalf of the Community. The text of the Agreement is annexed to this Regulation.

Article 2

The President of the Council will proceed to the negotiation provided for in Article 11 of the Agreement.

Article 3

The Community shall be represented on the Joint Committee provided for in Article 9 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

TRADE AGREEMENT
BETWEEN

THE EUROPEAN ECONOMIC COMMUNITY AND
THE PEOPLE'S REPUBLIC OF CHINA

The Council of the European Communities and the Government of the People's Republic of China, desiring to develop economic relations and trade between the European Economic Community and the People's Republic of China on the basis of equality and the mutual advantage of the two Contracting Parties and to give a new impetus to their relations, have decided to conclude this Agreement. The terms of which are as follows :

ARTICLE 1

The two Contracting Parties will endeavour, within the framework of their respective existing laws and regulations, to promote and intensify trade between them.

To this end they confirm their determination :

- (a) to take all appropriate measures to create favourable conditions for trade between them ;
- (b) to do all they can to improve the structure of their trade in order to diversify it further, and
- (c) to examine in a spirit of goodwill any suggestions made by the other Party, in particular in the Joint Committee, for the purpose of facilitating trade between them.

ARTICLE 2

1. In their trade relations the two Contracting Parties shall accord each other most-favoured-nation treatment in all matters regarding :

- (a) customs duties and charges of any kind applied to the import, export, re-export or transit of products, including the rules for the collection of such duties or charges ;
- (b) rules, procedures and formalities concerning customs clearance, transit, warehousing and transshipment of products imported or exported ;
- (c) taxes and other internal charges levied directly or indirectly on products or services imported or exported ;
- (d) administrative formalities for the issue of import or export licences.

2. Paragraph 1 of this Article shall not apply to :

- (a) advantages accorded by either Contracting Party to States which together with it are members of a customs union or free trade area ;
- (b) advantages accorded by either Contracting Party to neighbouring countries for the purpose of facilitating border trade ;
- (c) measures which either Contracting Party may take in order to meet its obligations under international commodity agreements.

ARTICLE 3

The two Contracting Parties will make every effort to foster the harmonious expansion of their reciprocal trade and to help, each by its own means, to attain a balance in such trade.

Should an evident imbalance arise, the matter must be examined within the Joint Committee so that measures can be recommended in order to improve the situation.

ARTICLE 4

1. The People's Republic of China will give favourable consideration to imports from the European Economic Community. To this end the Chinese authorities will see to it that Community exporters have the possibility of participating fully in opportunities for trade with China.

2. The European Economic Community will accord increasing liberalisation of imports from the People's Republic of China. To this end it will endeavour progressively to introduce measures extending the list of products for which imports from China have been liberalized and to increase the amounts of quotas. The manner in which this is to be implemented will be examined within the Joint Committee.

ARTICLE 5

1. The two Contracting Parties shall provide each other with information on any problems that may arise in their trade and shall undertake friendly consultations, with the desire to promote trade, for the purpose of seeking mutually satisfactory solutions to those problems. Each Contracting Party will see that no action is taken before consultations are held.

2. In an exceptional case, however, where the situation does not admit any delay, either Contracting Party may take measures but must endeavour as far as possible to undertake friendly consultations before doing so.

3. Each Contracting Party will ensure that, when taking the measures referred to in paragraph 2, the general objectives of the Agreement are not prejudiced.

ARTICLE 6

The two Contracting Parties undertake to promote visits by persons, groups and delegations from business, trade and industry, to facilitate industrial and technical exchanges and contacts connected with trade and to foster the organization of fairs and exhibitions of mutual interest and the provision of services pertaining thereto. As far as possible they must grant each other facilities in connection with the above activities.

ARTICLE 7

Trade in goods and the provision of services between the two Contracting Parties shall be effected at market-related prices and rates.

ARTICLE 8

The Contracting Parties agree that payments for transactions shall be made, in accordance with their respective existing laws and regulations, in currencies of the Member States of the Community, Renminbi or any convertible currency agreed by the two parties concerned in the transactions.

ARTICLE 9

1. An EEC-China Joint Committee for Trade shall be set up, comprising representatives of the European Economic Community and representatives of the People's Republic of China.
2. The tasks of the Joint Committee shall be as follows:
 - to monitor and examine the functioning of this Agreement;
 - to examine any questions that may arise in the application of this Agreement;
 - to examine problems that could hinder the development of trade between the Parties;
 - to examine means and new opportunities of developing trade between the Contracting Parties and other matters relating to their trade, and
 - to make recommendations that may help attain the objectives of this Agreement.
3. The Joint Committee shall meet once a year, in Brussels and Peking alternately. Special meetings may be convened by mutual agreement, at the request of either Contracting Party. The office of chairman of the Joint Committee shall be held by each of the two Contracting Parties in turn. Where both Parties consider it necessary, the Joint Committee may set up working parties to assist it in its work.

ARTICLE 10

As far as the European Economic Community is concerned, this Agreement shall apply to the territories in which the Treaty establishing the European Economic Community is applied, under the conditions laid down in that Treaty.

ARTICLE 11

This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties notify each other that the legal procedures necessary to this end have been completed. It is concluded for a period of five years. The period of validity of the Agreement shall be tacitly extended year by year provided that neither Contracting Party gives the other Party written notice of denunciation of the Agreement six months before it expires.

However, the Agreement may be amended by mutual consent of the two Contracting Parties in order to take account of new situations.

In witness whereof, the undersigned, being duly authorized for this purpose, have signed this Agreement.

Done at Brussels, 1978, in two copies in the Danish, Dutch, English, French, German, Italian and Chinese languages, each text being equally authentic.

For the Government of the
People's Republic of China

For the Council of the
European Communities.