

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels. 23 July 1976.

RECOMMENDATION FOR A REGULATION (EEC) OF THE COUNCIL

on the conclusion of the Commercial Cooperation Agreement
between the European Economic Community and
the People's Republic of Bangladesh.

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

1. On 15 October 1974 the Council authorized the Commission to enter into negotiations with Bangladesh for a Commercial Cooperation Agreement; at the same time the Council approved a series of directives for the negotiations, and these were supplemented on 20th May 1975 with an additional directive on the question of access to natural resources.

2. Formal negotiations with Bangladesh took place in two sessions, on 2nd July 1975 and 10th/11th March 1976, and a total of five meetings were held of the Special Committee set up under Article 113 of the Treaty of Rome, to advise the Commission on points arising out of the negotiations. Agreement having been reached thereon between the two delegations, the following texts in the English language were initialled on 18th May 1976:

- Commercial Cooperation Agreement between the European Economic Community and the People's Republic of Bangladesh;
- Annex I, being a Joint Declaration concerning the functioning of the Joint Commission;
- Annex II, being an exchange of letters on bilateral tariff bindings by the Community;
- Annex III, being a declaration of the European Economic Community concerning tariff adjustments;
- Annex IV, being a declaration of the Government of the People's Republic of Bangladesh concerning tariff adjustments.

Attention is here drawn to the fact that, when the Council approved the negotiation directives, it was foreseen that Bangladesh would request tariff concessions on a number of products of export interest to it, but no specific provision was made in the directives for such concessions. The concessions now proposed are the subject of the exchange of letters in Annex II.

3. The terms of the proposed agreement are very similar to those of the Commercial Cooperation Agreements concluded with India, Sri Lanka and Pakistan, such few innovations as occur having been introduced either in recognition of the special characteristics of the Bangladesh economy or in

an endeavour to fulfil the Council's supplementary directive on natural resources. For the former reason, two clauses have been included in the Preamble referring to Bangladesh "as one of the least developed of the developign countries" and recognizing "the special characteristics and needs" of its economy. In Article 1, "comparative advantage" has been omitted as a basis for developing commercial exchanges (though it remains in the Preamble), and "raising the volume of their mutual trade" has been added as an objective alongside improving the trade balance. In Article 4 it is specified that the particular measures to be taken to promote the development and diversification of trade shall be "relevant to the improvement of export opportunities" and would "contribute to realising the trade potential of the economies" of the Contracting Parties. These provisions reflect the fact that, in its present undiversified stage of development, Bangladesh needs not only favourable external conditions for exports, but also assistance in creating internal capacity to benefit from such conditions. There is also an addition to the list of the tasks proposed for the Joint Commission, namely Article 10(e), which reads:

"to devise and recommend measures, including assistance for the training of executives and for publicity, market intelligence and expert services, to promote the development and diversification of trade between the Contracting Parties."

This spells out certain measures which Bangladesh hopes the Community will undertake under the aegis of the Joint Commission.

4. The negotiation of Annex I was affected by the Council's supplementary directive of 20th May 1975, which reads as follows:

"The Commission will endeavour to obtain the insertion in the Agreement of provisions guaranteeing non-discriminatory access of the Community to the natural resources of Bangladesh. Under its terms of reference, the Joint Committee could be instructed to examine and explore the ways and means of a cooperation between the Community and Bangladesh in this field."

In the course of negotiations, the Bangladesh side made clear that its Government could not accept a provision concerning access to natural resources which, on the face of it, failed to treat both Contracting Parties equally. Basing itself on the second sentence of the directive, the Commission therefore negotiated the following addition to the precedential version of Annex I:

"4. Subject to the agreement of the Contracting Parties when drawing up the agenda of the Joint Commission, this may include cooperation on mutually satisfactory terms in the development and utilization of natural resources and in other areas which may be identified as of particular importance to the trade potential of Bangladesh."

Though expressed in terms which relate equally to both Contracting Parties, this paragraph will in practice (as acknowledged by the Bangladesh negotiators) be applied exclusively to questions arising in connection with natural resources in Bangladesh. The concluding clause, covering "other areas which may be identified as of particular importance to the trade potential of Bangladesh", is to be interpreted in the light of Article 5 which permits economic cooperation, where linked with trade.

5. The text of the introductory paragraph of the Community's letter in Annex II expresses more clearly than its counterpart in the Indian and Sri Lanka Agreements that the tariff concession being granted is a bilateral binding in favour of Bangladesh of existing autonomous tariff rates. Of the nine items included in the appended list, one, the fish Hilsa, is an "ex" item from a tariff sub-heading which is autonomously free in the CCT; three (tea in packages not exceeding 3 kg; tea otherwise packed; and East India Kips not exceeding 4.5 kg) are already bound under the agreements with India and Sri Lanka; and five are types of semi-finished leather (East India Kips 4.5 to 8 kg; bovine skins wet-blue; and sheep, goat and other skins not further prepared than tanned) which Community processors import as raw materials and on which duties have been suspended in recent years.

6. Annexes III and IV differ from the corresponding annexes of the Indian and Sri Lanka agreements only in that the statement in Annex IV that Bangladesh may notify the Community of products in respect of which tariff concessions are desired is specifically noted by the Community in Annex III. This change was introduced for the sake of symmetry between the two Annexes.

7. The Commission considers that the terms of the proposed Agreement itself and of its Annexes I, III and IV are consistent with the directives given by the Council, and that it is desirable to grant Bangladesh the bilateral tariff bindings foreseen in Annex II, in respect of which no specific directive was given. The Commission accordingly recommends that the Council:

- agree to the tariff concessions set out in Annex II;
- approve the proposal for a Commercial Cooperation Agreement with the People's Republic of Bangladesh, inclusive of four Annexes, in the terms of the appended texts; and
- initiate the procedures for the signature and conclusion of the said Agreement.

8. With a view to the conclusion and implementation of the Agreement, the Commission herewith lays before the Council:

- a Recommendation for a Regulation (EEC) of the Council on the conclusion of the Commercial Cooperation Agreement with the People's Republic of Bangladesh.

RECOMMENDATION FOR A REGULATION (EEEC) OF THE COUNCIL
on the conclusion of the Commercial Cooperation Agreement
between the European Economic Community and
the People's Republic of Bangladesh

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
and in particular Articles 113 and 114 thereof;

Having regard to the Recommendation from the Commission;

Whereas the Commercial Cooperation Agreement negotiated between the
European Economic Community and the People's Republic of Bangladesh should
be concluded;

HAS ADOPTED THIS REGULATION:

Article 1

The Commercial Cooperation Agreement between the European Economic Community
and the People's Republic of Bangladesh, the text of which is annexed to this
Regulation, is hereby concluded on behalf of the Community.

Article 2

The President of the Council shall notify the other Contracting Party in
accordance with Article 15 of the Agreement of the completion, as regards
the Community, of the procedures necessary for the entry into force of this
Agreement.

Article 3

The Community shall be represented on the Joint Commission provided for in
Article 8 of the Agreement by the Commission of the European Communities,
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,

1976

For the Council

The President

COMMERCIAL COOPERATION AGREEMENT

between the European Economic Community and
the People's Republic of Bangladesh

THE COUNCIL OF THE EUROPEAN COMMUNITIES, of the one part,

THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH, of the other part,

HAVING REGARD to the friendly relations and historic links between the Member States of the European Economic Community and Bangladesh and their common desire to consolidate and expand their commercial and economic relations;

INSPIRED by their determination to strengthen, deepen and diversify their commercial and economic relations on the basis of comparative advantage and mutual benefit;

CONSIDERING Bangladesh as one of the least developed of the developing countries;

CONSCIOUS of the special characteristics and needs of the economy of Bangladesh;

AFFIRMING their common will to contribute to a new phase of international economic cooperation, and to facilitate the development of their respective human and material resources on the basis of freedom, equality and justice;

VIEWING modern commercial policy as an important instrument for furthering international economic cooperation;

HAVE DECIDED to conclude a Commercial Cooperation Agreement and to this end have designated as their Plenipotentiaries:

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH:

WHO, having exchanged their Full Powers, found in good and due form,

Article 1

The Contracting Parties are determined to develop their commercial exchanges on the basis of mutual benefit so as to contribute to their economic and social progress, and to improving the balance and raising the volume of their mutual trade to as high a level as possible.

Article 2

The Contracting Parties shall, in their commercial relations, grant each other most-favoured-nation treatment in accordance with the provisions of the General Agreement on Tariffs and Trade.

Article 3

Each Contracting Party shall grant the other the highest degree of liberalization of imports and exports which it applies to third countries in general, and shall endeavour to provide maximum facilities compatible with its policies and obligations for products of interest to the other Party.

Article 4

The Contracting Parties undertake to promote the development and diversification of their mutual trade to the highest possible level. They shall take all appropriate steps to fulfil this undertaking, including particular measures, relevant to the improvement of export opportunities, which would contribute to realising the trade potential of their economies.

Article 5

The Contracting Parties will develop their economic cooperation, where linked with trade, in fields of mutual interest and in the light of developments in their economic policies.

Article 6

To assist in giving practical effect to Articles 4 and 5, the Contracting Parties agree to promote contacts and cooperation between their economic organisations and to support institutions which have been or may be set up to this end.

Article 7

The Contracting Parties shall endeavour to increase their cooperation in commercial and related economic matters in third countries, where this will be in their mutual interest.

Article 8

1. A Joint Commission shall be set up comprising representatives of the Community and of the People's Republic of Bangladesh. It shall hold one session each year. Additional sessions may be convened by common agreement at the request of either Contracting Party.
2. The Joint Commission shall adopt its own rules of procedure and work programme.
3. The Joint Commission may set up specialized Sub-Commissions to assist it in the performance of its tasks.

Article 9

The Joint Commission shall ensure the proper functioning of this Agreement. It shall, in particular, devise and recommend practical measures for achieving the objectives of developing and diversifying trade between the contracting Parties and shall examine any difficulties likely to hinder those objectives.

Article 10

The Joint Commission shall be further required:

- (a) to study and devise ways of overcoming trade barriers and in particular existing non-tariff and quasi-tariff barriers in the various sectors of trade, taking into account the work undertaken in this field by the international organisations concerned;
- (b) to endeavour to encourage the development of economic and commercial cooperation between the Contracting Parties and their economic organisations, in order to facilitate the development and diversification of their trade;
- (c) to examine and recommend ways and means for the progressive adaptation of the trade pattern and marketing structures of the Contracting Parties with a view to promoting the evolution of their commercial and economic relations in accordance with their complementary possibilities, as well as the long-term objectives of the economies of the Contracting Parties, so as to rectify imbalances and maladjustments;
- (d) to facilitate exchanges of information and encourage contacts on all subjects which may bear upon the prospects for cooperation in the economic field between the Contracting Parties on a mutually advantageous basis and upon the creation of favourable conditions for such cooperation;
- (e) to devise and recommend measures, including assistance for the training of executives and for publicity, market intelligence and expert services, to promote the development and diversification of trade between the Contracting Parties.

Article 11

The Joint Commission shall also ensure the proper functioning of any sectoral Agreements between the Contracting Parties and, to this end, shall exercise the responsibilities entrusted to the joint bodies which have been or may be set up under such Agreements.

Article 12

The provisions of this Agreement shall be substituted for provisions of Agreements concluded between Member States of the Community and the People's Republic of Bangladesh to the extent to which the latter are either incompatible or identical with them.

Article 13

This Agreement shall apply to the territories in which the Treaty establishing the European Economic Community applies, on the conditions established in the said Treaty, and to the territory of the People's Republic of Bangladesh.

Article 14

The Annexes form an integral part of this Agreement.

Article 15

1. This Agreement shall enter into force on the first day of the month following the date on which the Contracting Parties have notified each other of the completion of the procedures necessary for this purpose.
2. This Agreement is concluded for a period of five years and shall be extended from year to year if neither Contracting Party denounces it six months before it expires.
3. The Contracting Parties may amend this Agreement at any time to take account of new situations arising in the economic field and of the evolution of economic policies on both sides.

Article 16

This Agreement is drawn up in two copies in the Bengali, Danish, Dutch, English, French, German and Italian languages, each text being authentic.

Joint Declaration
concerning the functioning of the Joint Commission

1. The representatives of the Contracting Parties in the Joint Commission will transmit the agreed recommendations to their respective authorities, for consideration and action to be taken as speedily and effectively as possible. In the event of the Joint Commission being unable to evolve a recommendation on a matter considered by either Contracting Party to be urgent or important, it shall submit the views of the two sides to the said authorities for further consideration.

2. The Joint Commission should, when making proposals and recommendations, have due regard to the development plans of Bangladesh and to the progress of economic, industrial, social, environmental and scientific policies of the Community as well as to the level of economic development of the Contracting Parties.

3. The Joint Commission will examine possibilities of and make recommendations for the efficient utilization of all available instruments, besides most-favoured-nation tariffs and Generalized Preferences, to promote trade in items of interest to Bangladesh.

4. Subject to the agreement of the Contracting Parties when drawing up the agenda of the Joint Commission, this may include cooperation on mutually satisfactory terms in the development and utilization of natural resources and in other areas which may be identified as of particular importance to the trade potential of Bangladesh.

ANNEX II

Your Excellency,

During the discussion which led to the conclusion this day of the Commercial Cooperation Agreement between the European Economic Community and the People's Republic of Bangladesh, the Community declared that it is prepared to bind bilaterally the tariffs already applied autonomously in respect of the products listed below which are of particular interest to Bangladesh. These concessions shall remain valid until they are confirmed, or modified, under the General Agreement on Tariffs and Trade, with the agreement of both Contracting Parties.

List of products concerned

CCT heading No.	Description	Binding proposed %
03.01	Fish, fresh (live or dead), chilled or frozen:	
	A. Freshwater fish:	
	ex IV. Other:	
	- Hilsa spp.	free
09.02	Tea:	
	A. In immediate packings of a net capacity not exceeding 3 kg	5
	B. Other	free
41.02	Bovine cattle leather (including buffalo leather) and equine leather, except leather falling within heading No. 41.06, 41.07 or 41.08:	
	A. East India kip, whole, whether or not the heads and legs have been removed, weighing each not more than 4.5 kg net, not further prepared than vegetable tanned, whether or not having undergone further preservative treatment with oil, but obviously unsuitable for immediate use in the manufacture of leather articles	free
	ex B. Other:	
	- Leather of East India kip, whole, whether or not the heads and legs have been removed, weighing each more than 4.5 kg net and not more than 8 kg, not further prepared than vegetable tanned, whether or not having undergone further preservative treatment with oil, but obviously unsuitable for immediate use in the manufacture of leather articles	free
	- Bovine skins, chrome tanned in the moist state (wet blue)	free

41.03	Sheep and lamb skin leather, except leather falling within heading No. 41.06, 41.07 or 41.08:	
	B. Other:	
	I. Not further prepared than tanned	free
41.04	Goat and kid skin leather, except leather falling within heading No. 41.06, 41.07 or 41.08:	
	B. Other:	
	I. Not further prepared than tanned	free
41.05	Other kinds of leather, except leather falling within heading No. 41.06, 41.07 or 41.08:	
	B. Other:	
	I. Not further prepared than tanned	free

We should be grateful if you would kindly confirm the agreement of the Government of the People's Republic of Bangladesh to the contents of this letter.

Please accept, Your Excellency, the assurance of our highest consideration.

For the Council
of the European Communities

Head of the Bangladesh Delegation

Sir,

I have the honour to acknowledge receipt of your letter of today, which reads as follows:

"During the discussion which led to the conclusion this day of the Commercial Cooperation Agreement between the European Economic Community and the People's Republic of Bangladesh, the Community declared that it is prepared to bind bilaterally the tariffs already applied autonomously in respect of the products listed below which are of particular interest to Bangladesh. These concessions shall remain valid until they are confirmed, or modified, under the General Agreement on Tariffs and Trade, with the agreement of both Contracting Parties.

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	A. In immediate packings of a net capacity not exceeding 3 kg	5
	B. Other	free
41.02	Bovine cattle leather (including buffalo leather) and equine leather, except leather falling within heading No. 41.06, 41.07 or 41.08:	
	A. East India kip, whole, whether or not the heads and legs have been removed, weighing each not more than 4.5 kg net, not further prepared than vegetable tanned, whether or not having undergone further preservative treatment with oil, but obviously unsuitable for immediate use in the manufacture of leather articles	free
	ex B. Other:	
	- Leather of East India kip, whole, whether or not the heads and legs have been removed, weighing each more than 4.5 kg net and not more than 8 kg, not further prepared than vegetable tanned, whether or not having undergone further preservative treatment with oil, but obviously unsuitable for immediate use in the manufacture of leather articles	free
	- Bovine skins, chrome tanned in the moist state (wet blue)	free

41.03 Sheep and lamb skin leather, except leather falling within heading No. 41.06, 41.07 or 41.08:

B. Other:

I. Not further prepared than tanned free

41.04 Goat and kid skin leather, except leather falling within heading No. 41.06, 41.07 or 41.08:

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41.05 Other kinds of leather, except leather falling within heading No. 41.06, 41.07 or 41.08:

B. Other:

I. Not further prepared than tanned free

We should be grateful if you would kindly confirm the agreement of the Government of the People's Republic of Bangladesh to the contents of this letter."

I have the honour to confirm the agreement of the Government of the People's Republic of Bangladesh to the contents of this letter.

Please accept, Sir, the assurance of my highest consideration.

For the Government of the
People's Republic of Bangladesh

Head of the Delegation of the European Economic Community

Declaration of the European Economic Community
concerning tariff adjustments

1. On 1 July 1971, the Community autonomously introduced a Generalized Scheme of Preferences on the basis of Resolution 21(II) of the Second United Nations Conference on Trade and Development, 1968. The Community is prepared, in the course of its endeavours to improve this system, to take into account the interests of the People's Republic of Bangladesh in the extension and strengthening of its trade relations with the Community.
2. The Community is also prepared to examine in the Joint Commission the possibilities for further tariff adjustments to promote the development of trade with Bangladesh.
3. The Community notes that, in this connection, the People's Republic of Bangladesh may notify it of the list of products in respect of which tariff concessions are desired, for examination in the Joint Commission.
4. The Community understands that the People's Republic of Bangladesh will also be prepared to discuss in the Joint Commission the Community's proposals, if any, with regard to matters pertaining to the tariffs of the People's Republic of Bangladesh aimed at the development of trade between the Contracting Parties, taking into consideration the development needs of Bangladesh.

ANNEX IV

Declaration of the Government of the People's Republic of Bangladesh
concerning tariff adjustments

1. The People's Republic of Bangladesh notes that the Community is prepared, in the course of its endeavours to improve the system of Generalized Preferences, to take into account the interests of the People's Republic of Bangladesh in the extension and strengthening of its trade relations with the Community. In this connection, the People's Republic of Bangladesh will identify for consideration by the Community the areas in which the Community's Generalized Scheme of Preferences can be improved, more especially in the context of the provisions of the Joint Declaration of Intent.
2. The People's Republic of Bangladesh further notes that the Community is also prepared to examine in the Joint Commission the possibilities for further tariff adjustments to promote the development of trade with Bangladesh.
3. In this connection the People's Republic of Bangladesh may notify the Community of the list of products in respect of which tariff concessions are desired, for examination in the Joint Commission.
4. The People's Republic of Bangladesh will also be prepared to discuss in the Joint Commission the Community's proposals, if any, with regard to matters pertaining to the tariffs of the People's Republic of Bangladesh aimed at the development of trade between the Contracting Parties, taking into consideration the development needs of Bangladesh.