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THE EUROPEAN COMMUNITY AND LATIN AMERICA

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1. CURRENT SITUATION

Since the establishment of the European Community and of regional integration organizations in Latin America, relations between Europe and Latin America have taken on a new dimension. On the multilateral level, these relations complement the multiple political and economic bilateral ties which join Latin America and the European nations.

Because of the above-mentioned reciprocal economic interests, Europe is, in fact, one of Latin America's most important partners : Europe is a buyer of Latin American raw materials, agricultural and tropical products and processed goods. Latin America turns to Europe for supplies of industrial and high technology goods, and also for the investment and aid it needs for economic development.

The European Community's activities in Latin America are multifaceted and consist of, above all, important development aid in the way of non-refundable grants, as well as trade and economic co-operation based on agreements drawn up with different Latin American countries and regions.

Where aid to development is concerned, the Community is one of the top contributors. During the 1979 to 1983 period the Community and its member countries gave official aid to Latin America of \$ 2.647 million, thus surpassing the \$ 1.953 million in United States aid and the \$ 858 million in aid given by Japan. Community aid accounts for 30 % of the total official aid granted to Latin America.

In trade Europe is in second place - behind the United States - as both customer and supplier : 20% of Latin-American trade takes place with the European Community. Furthermore, Latin America's export trade is greatly favoured by the Generalized System of Preferences (GSP) and other tariff facilities granted by the Community. A very large amount of Latin-American export goods enter the European Community nations duty-free or are charged at a very low rate, that is, 5% or under.

The European Community's policy towards Latin America is also based on ideological grounds. The Community, itself founded on principles of law, democracy and integration, is duty-bound to support the process of democratization in Latin America by its choice of action, political contacts and official policy. Furthermore, and thanks to the efforts and perseverance of the European Parliament, the European Community firmly upholds respect for human rights in those countries where these are endangered. The European Community supports all efforts at economic integration taking place in Latin America with a view to regional stabilization, both economic and political.

The ever-increasing political importance of Europe-Latin America relations will be underlined by the expansion of the European Community to include Spain and Portugal on 1 January 1986. These new members will bring to the European Community a

source of historical and cultural relations which will serve to improve existing links and which will play an important part in the future development of relations.

In the recent past, certain events have already contributed to a strengthening of relations between Europe and Latin America. These are :

- the conclusion of the EEC Andean Pact Cooperation Agreement signed in December 1983;
- the Conference at ministerial level held in San José (Costa Rica) on 28 and 29 September 1984 which heralded a new era of dialogue between Europe and Central America;
- the establishment of the European-Latin American Institute in October 1984, which serves to stimulate mutual understanding and cultural exchange;
- the Cooperation Agreement signed in Luxembourg on 12 November 1985 with Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) which seeks to further and increase cooperation;
- the recent visits to Latin America by Mr Claude Cheysson, member of the Commission responsible for North-South relations, and his discussions with important Latin-American officials, as well as the visits to Latin America by the Presidents and Delegations of the European Parliament in 1983, 1984 and 1985 which strengthened existing parliamentary ties.

Thanks to all-round goodwill, the breach in relations - caused essentially by the Falklands crisis - has been repaired and given way to a more positive phase of evolution.

The improvement in relations is due to the aspirations of the Latin-American countries, who are always seeking to expand their political and economic relations, and to the political and economic interests of the European Community. Latin America's current crisis must not erase the memory of the very real socio-economic progress made in the preceding decades.

At present, Latin America's most pressing objectives are the revival of its economy and the establishment of political stability. It is up to the European Community and the other industrialized nations to assist Latin America in overcoming its crisis through policy-making which will stimulate international trade and investment and by cooperation aimed at furthering development.

Within this context, in April 1984, the Commission of the European Communities submitted a series of new directives for the strengthening of relations with Latin America to the Council of Ministers. These directives envisage the creation of a broad

and flexible network of relations, which would include financial, economic, trade and cooperative arrangements. After the Council's scrutiny, these will be augmented by more detailed proposals which will take into account recent judgements on the part of the European Parliament and the Economic and Social Committee.

II COMMUNITY DEVELOPMENT COOPERATION IN LATIN AMERICA

In parallel with the Lomé Convention, by which the European Community is linked with over 60 countries in Africa, the Caribbean and the Pacific, the Community has created special instruments of cooperation with the developing countries which are not party to the Lomé Convention. These include the Generalized System of Preferences and other forms of assistance described below :

1. Generalized System of Preferences (GSP)

Since 1971, within the context of the GSP set up by UNCTAD, the Community has granted developing countries autonomous and non-reciprocal tariff advantages. All industrial manufactures and semi-manufactures originating from these countries are subject to full duty-free entry, while some processed agricultural goods are generally subject to partial duty-free entry. In the case of "sensitive" products, preference is granted up to a given maximum.

Initially valid for 10 years, the Community's GSP was prolonged for a further 10 year period (1981-1990). Adjustments were made, specifically to allow greater preferential access to the neediest countries. (*)

Unequal use is made by Latin-American countries of the advantages offered, which principally benefit those countries whose production is the most diversified and which have already established good trade networks.

There still remains a great deal to do, both on the part of the European Community and the authorities of the beneficiary countries, to bring home to the economic operators of these countries the promotional possibilities of exports benefiting from the GSP. With this in mind, the Commission regularly organizes informational seminars with the different beneficiary countries. Those most recently organized in Latin America took place in Bolivia and Peru in 1983, in Venezuela, Mexico and Honduras in 1984 and Argentina and Uruguay in 1985.

(*) It must be pointed out that the least developed countries, including Haiti, have certain special advantages : a larger list of agricultural products, all of which are duty-free; exemption from quantitative limits except for two agricultural products, and possible derogations in matters of rules of origin.

2. Financial and Technical Assistance

- 2.1 The Andean countries, bilaterally and regionally, generally receive 50% of the normal financial and technical assistance (not counting special aid) granted by the Community to the developing countries of Latin America.

From 1977 to 1984, the European Community contributed towards the financing of 14 regional projects carried out by the JUNTA (1) of the Andean Pact, representing a total financial contribution of 28 million ECU (2), of which 71% went to rural projects and the rest to industry and energy. Aid granted on the national level concerns the rural sector, that is :

- Bolivia : 1976 to 1979, 8.7 million ECU and 1983 to 1984, 31.9 million ECU towards economic recovery projects;
- Peru : 15.1 million ECU from 1976 to 1984;
- Ecuador : 5.9 million ECU from 1979 to 1984;
- Colombia : 3.9 million ECU in 1984.

Total assistance granted to the Andean region from 1979 to 1984 comes to approximately 83 million ECU.

- 2.2 Given Europe's great concern in the face of the deep economic and social problems which beset Central America, special aid in the form of 30 million ECU was approved on 22 November 1982, bringing to a total of 112 million ECU the financial and technical assistance given to these countries on a bilateral basis between 1979 and 1984.

Following the Conference at ministerial level in San José, Costa Rica of September 1984, consisting of the ten Foreign Ministers of the Community, plus those of Spain and Portugal, the Central American Ministers and those of the Contadora group, the Community expressed its desire to conclude without delay a non-preferential economic and commercial cooperation agreement between the European Community and six Central American countries, and also to increase appreciably Community aid over the next few years.

This will further reinforce the Community's positive stance, notably in its contribution to the agricultural rebuilding of the region to favour small agricultural operations, thus helping in the increased production of

(1) JUNTA = Junta of the Cartagena Agreement
(2) 1 ECU = US\$ 0.83

basic foodstuffs. Special attention will be paid to the financing of projects aimed at regional integration. An effort has already been made in this domain to boost the progress of small and medium sized regional industry.

Total European Community financial and technical assistance from 1979 to 1984 to all Latin American countries and the Island of Hispaniola (Haiti and the Dominican Republic), including national and regional projects, was 254 million ECU.

This aid is dispensed exclusively as non-refundable and thus does not make the already tragic situation of the beneficiary countries worse in terms of financial debt.

3. Food Aid

A considerable amount of food aid is provided either directly for the Latin American countries or indirectly through non-governmental organizations, which are doing a magnificent job in assisting the neediest.

In 1984, a total of 41 million ECU was granted to the 14 countries of Latin America. Those who benefited most were Nicaragua, Chile and Bolivia. These countries alone accounted for more than half of this aid.

Essentially, aid to these countries went in the form of cereals, skimmed milk powder, butteroil and, in some cases, colza oil and red beans. In El Salvador and Honduras, much of the food aid has been used to lessen the plight of tens of thousands of refugees. In other cases, the use of counterpart funds has made it possible to co-finance rural development projects.

4. Emergency Aid and Assistance to Displaced Persons

Aid is provided in the event of natural disasters or political upheavals. Since 1984, the Commission has had resources which will also allow it to finance assistance projects for refugees and displaced persons, and, above all, to further food and economic self-sufficiency projects.

In recent years, most of the available funds have been allocated to the Central American countries in order to alleviate the plight of refugees. Other resources have been used to help flood, earthquake or drought victims in various Latin American countries.

Therefore, in September 1985, the Commission allocated 500 000 ECU as initial assistance to Mexico in the wake of the terrible earthquake which took place there. The aid was distributed to the victims of this catastrophe through

the International League of the Red Cross and other humanitarian organizations.

When the Nevado del Ruiz volcano erupted in Colombia in November 1985, the Commission immediately dispatched a team of "Médecins Sans Frontières" (MSF). It contributed to the assistance given to the victims of the catastrophe by the League of Red Cross Societies with a grant of 1 500 000 ECU in aid. This assistance was added to that of the Member States and other donors.

5. Trade Promotion

Trade promotion has become an important element of cooperation with Latin America, contributing to its better understanding of export possibilities to the Community or other world markets. It also contributes to a widening of the range of export products.

Initially, Latin-American trade promotion was tied to participation in trade fairs and missions, as well as the financing of publications and the training of experts. In the last few years, an effort has been made to incorporate all of these activities into an integrated programme. Trade promotion has been of main interest to the Central American countries, the Andean group, Mexico and Argentina, as well as some regional organizations, notably the Junta of the Andean group.

2.34 million ECU was set aside for trade promotion in 1984.

6. Training

Training is of particular importance to Latin America, and is currently considered the second priority after food security.

Because of the modest means - 460 000 ECU for Latin America in 1984 - the projects to date have been sporadic at best and are far from meeting needs.

Preference is given to group training projects rather than individual ones : seminars, improvement and refresher courses in subjects related to development (rural projects, energy planning, training courses for trainers etc...) Participants are already professionals who hold positions of responsibility.

7. The Carajás Project

In July 1982, the European Coal and Steel Community (ECSC) decided, under article 54 of the ECSC Treaty, to make a loan of 600 million dollars borrowed on the capital exchange market, to be paid in several instalments to the

Brazilian Companhia Vale do Rio Doce Company for the development of the iron ore mines or the Carajás mining complex. This decision is of great importance for both parties, as it is the first time that the ECSC has granted such a large loan to a Latin American country. In this way, the ECSC is following one of the guidelines of its economic policy, that is, the diversification of its supply sources on a long-term basis. This decision guarantees regular stocks of iron ore to the European iron and steel industry from 1985 onwards. Companies in Germany, France, Italy and Luxembourg have signed bilateral agreements with Brazil for the purchase of 13 million tonnes of iron ore per year, which will increase Brazil's cash revenue.

The Carajás iron ore mines project consists of developing the Carajás iron ore bed, the building of an 800-kilometre long railway line to transport the iron ore to the Atlantic coast and the construction of a deep water iron ore port at Sao Luis.

The European Commission is particularly attentive to the consequences that this project could have on the local population and ecology. The Commission is studying these matters in strict collaboration with the World Bank, which is also involved in the project. Following concern expressed by the European Parliament and the non-governmental organizations (NGO), the Commission has organized meetings with the representatives of the NGO's, the Brazilian CVRD Company and the World Bank. The facts available, including the results of the latest World Bank investigation (Spring 1984) indicate that this project will not have the negative social and ecological consequences once imagined. The latest information shows that the project is being carried out in favourable conditions, both technically and financially.

In accordance with the UN's Declaration of the Environment and Development, signed by the Commission in 1980, every effort is made by the Commission to ensure that environmental care forms an integral part of development policy and programming.

E.C. AID TO LATIN AMERICA

1984

Evaluated in millions of ECU
(1 ECU = US\$ 0.83)

	Financial and Technical Assist.	Food Aid at World Prices	Emergency Aid	Export Promotion	Training	E.C. Financial Assist. via NGOS	Aid to Displaced Persons	Total
	Art. 930 + 958	Chap. 920	Art. 950	Art. 931	Art. 934	Art. 941	Art. 936	
<u>CENTRAL AMERICA</u>								
MEXICO				0.60		0.28		0.88
Guatemala	6.00	1.75	0.15	0.04		0.16		2.10
Dominican Republic		0.53				0.04		6.57
Haiti		3.31				0.74		4.05
Salvador		3.46	0.50			0.32		4.28
Honduras		3.14		0.15		0.06		3.35
Nicaragua		9.11	0.15	0.25		1.19	0.33	10.78
Costa Rica						0.02		0.27
Panama								
Regional Assistance	20.00							20.00
Total Central America	26.00	21.30	0.80	1.04	0.10	2.81	0.33	52.38
<u>SOUTH AMERICA</u>								
Argentina		6.78				0.49		0.49
Chile		0.96				0.46		7.24
Brazil	3.90	0.51	0.50			1.78		3.24
Colombia		4.22	0.30			0.68		5.39
Peru				0.45		0.69		5.36
Venezuela		0.71				0.17		0.88
Ecuador		6.20				0.71		34.81
Bolivia	27.90	0.10		0.02		0.30		0.42
Paraguay		0.13		0.23		0.12		0.48
Uruguay				0.60				7.60
JUNAC Regional Assist.	7.00							
Total South America	38.80	19.61	0.80	1.30	0.36	5.40		66.27
GENERAL TOTAL	64.80	40.91	1.60	2.34	0.46	8.21	0.33	118.65

III ENERGY COOPERATION

The energy cooperation set up with a number of Latin American countries is developing in a particularly satisfying manner. Since 1980, the Commission has spent 7.5 million ECU to finance this cooperation, which represents 45% of the total of the budgeted funds destined for energy cooperation with non-aligned developing countries.

Cooperation in Latin America consists of, in particular :

1. the development of methodological instruments, statistics and energy planning - for a total of 1.7 million ECU (examples : Argentina, Brazil, Chile, Venezuela, Mexico)
2. the sending of technical assistants to national energy planning institutions - for a total of 3.9 million ECU (examples : Ecuador, Colombia, Mexico)
3. the training of staff for management and the energy industry - for a total of 0.5 million ECU (examples : Argentina, Brazil).

In addition, the European Community has given its support to projects concerned with the development of new or renewable energy sources (geothermal, solar energy, biomass). Seminars and conferences have been organized in collaboration with various Latin American countries and with the Latin American Energy Organization (LAEO) for a total of 1.4 million ECU.

These activities have led to numerous positive results :

- the establishment of twenty-five energy surveys for all Latin American countries;
- the establishment of a single energy survey for Latin America (with LAEO);
- the training of approximately 200 energy planning experts and officials;
- exchange programmes for experts (about forty energy experts, both ways);
- assistance in the development of national and regional energy plans in various Latin American countries.

IV TRADE

The European Community's balance of trade with Latin America has traditionally shown (with rare exceptions) a deficit for the Community. Since 1982, this deficit has increased sharply, following restrictive measures adopted in Latin America to rectify the economic crisis. Such measures have cut back on the European Community's imports while Latin American exports to the European Community have grown steadily.

Development of the Balance of Trade
Between the Community and Latin America (1)
from 1958 to 1984
(in millions of ECU)

Year	Imports from the E.C.	Exports from the E.C.	Trade Balance of E.C. with Latin America
1958	2 637	2 180	- 457
1963	3 45	2 168	- 1 284
1972	4 610	4 559	- 51
1977	11 057	10 737	- 320
1980	16 028	14 206	- 1 822
1981	18 692	18 036	- 656
1982	20 722	16 152	- 4 570
1983	20 298	10 996	- 9 302
1984	23 833	12 902	- 10 931

Source : Eurostat

-
- (1) 19 countries : Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, El Salvador, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, The Dominican Republic, Uruguay, Venezuela.

Among the member countries of the European Community, West Germany is both Latin America's largest buyer and largest supplier, followed by Italy and France.

Trade Between the European Community
and Latin America
1984
(in millions of ECU)

Country	Imports	Exports
GERMANY	6 914	5 085
France	3 764	2 421
Italy	4 410	2 215
NETHERLANDS	3 303	768
Belgium/Luxembourg	1 902	526
United Kingdom	2 796	1 483
Ireland	80	130
Denmark	488	245
Greece	178	12

Source : Eurostat

The main European Community partners in Latin America are Brazil (which accounts for more than a quarter of the total European Community/Latin American trade), Mexico, Argentina, Venezuela, Colombia and Chile.

Structure of European Community/Latin American Trade
1984 in %

Category of Product (sectors SITC rev.2)	E.C. imports coming from Latin America	E.C. exports to Latin America
0-1 Food, beverages and tobacco	38	5
2 Raw materials	18	1
3 Energy products	24	1
4 Oils, fats and waxes	1	0
5 Chemicals	2	17
6-7 Machinery and transport equipment, manufactured goods	15	56
8-9 Other products, manufactured or not	2	20
	100	100

Source : Eurostat.

European Community/Latin-American trade represented 20% of Latin America's total foreign trade in 1983 and 5% of the European Community's foreign trade.

The relative importance of Latin America's foreign trade with its various international partners is shown on the following table :

Geographical Distribution of Trade with
Latin America

(percentage)

Country or Group of Countries	Latin American Exports			Imports from Latin America		
	1981	1982	1983	1981	1982	1983
E.C. 10	19.8	20.8	21.2	17.4	16.8	18.5
Spain-Portugal	4.6	4.3	4.6	2.3	2.6	2.3
United States	35.8	39.3	43.3	39.8	37.6	40.0
Japan	6.9	7.0	7.3	10.2	10.7	13.5
Other Trade (including within Latin America)	32.9	28.6	23.6	30.3	32.3	25.7

Source : UNSO

V ENLARGEMENT OF THE EUROPEAN COMMUNITY

With Spain and Portugal's entry into the European Community on 1 January 1986, the number of members and European countries will be twelve. These countries share the same ideals of democracy, and all follow the same common aims of economic and political integration.

The expansion of the European Community will enhance the Community's position in the world and will consolidate it as the leading trade power. Its foreign partners will be able to benefit from the opening of the Spanish and Portuguese markets when, after joining officially, these new member countries progressively apply the Community customs tariff, which is considerably lower than their national tariff level.

In Latin America, the news of Spain and Portugal's entry into the European Community was well received, stimulating, as it did the hope of closer links between Europe and the sub-continent.

The European Community's relations with Latin America should, in fact, develop and intensify as a result of Spain and Portugal's cultural and trade ties with the sub-continent. Worthy of note, in the last 12 years, is the great increase in direct Spanish investment in Latin America.

After a good increase in the 70's, Spain and Portugal's trade relations with Latin America have recently been subject to some fluctuation as a result of the economic recession. For 1984, the available statistics show, however, a slight recovery.

Trade Between Spain and Portugal
and Latin America
in millions of ECU

		1981	1982	1983	1984
Spain	Imports	3 357	3 380	3 895	not yet available
	Exports	1 870	1 974	1 377	
Portugal	Imports	489	355	459	691
	Exports	86	69	42	48

Source : UNSO COMTRADE

The volume of trade represents approximately 9% of Spain's total foreign trade and 3% of Portugal's. Latin America is Spain's traditional supplier of coffee, cocoa and tobacco and a regular buyer of its industrial products.

These factors were taken into account during the enlargement negotiations. In order to safeguard, wherever possible, trade between Spain and Portugal and Latin America, the Accession Treaty of 12 June 1985 contains :

1. a declaration of intent on the part of the European Community which declares itself ready to strengthen and expand relations with Latin America by all possible means after Spain and Portugal's joining, and in part by a better application of the GSP;
2. a declaration on the part of Spain requesting that a solution should be found to safeguard the traditional channels of trade between Spain and the Latin American countries; above all, for coffee, cocoa and tobacco. Furthermore, Spain benefits from the opening of a tariff quota for duty-free coffee and cocoa to be applied for three years. For tobacco, cocoa and coffee, at present imported on a duty-free basis, Spain will align itself progressively with the European Community customs tariff over a period of seven years for tobacco and five years for cocoa and coffee.

VI FOREIGN DEBT

According to preliminary estimates by ECLA (the Economic Commission for Latin America and the Caribbean - United Nations), Latin America's foreign debt stood at approximately 360 thousand million dollars at the end of 1984. This debt has increased since 1983 by about 5.6%, thereby continuing the trend towards a more moderate rate of growth.

The distribution of this debt by country is as follows :

Latin America : Foreign Debt, Total Outlay
(End of Year Balance in millions of \$)

Country	1981	1982	1983	1984(a)
Latin America	275 422	315 366 (b)	340 937 (b)	360 170 (b)
Petroleum-exporting countries:	118 963	135 657 (b)	145 672 (b)	153 460 (b)
Bolivia (c)	2 450	2 373	3 065	3 200
Ecuador	5 868	6 187	6 689	6 860
Mexico	72 007	85 000 (bd)	90 000 (bd)	95 900 (bd)
Peru	9 638	11 097	12 418	13 500
Venezuela (e)	29 000	31 000	31 500	34 000
Non-petroleum exporting countries:	156 459	179 679	195 265	206 710
Argentina	35 671	43 634	45 500	48 000
Brazil (f)	78 580	87 580	96 500	101 800
Colombia	7 930	9 421	10 405	10 800
Costa Rica	3 360	3 497	3 848	4 050
Chile (g)	15 542	17 153	17 431	18 440 (h)
El Salvador	1 471	1 683	2 000	2 300
Guatemala	1 409	1 504	1 766	1 910
Haiti (c)	372	410	446	500
Honduras	1 708	1 800	2 079	2 250
Nicaragua (c)	2 163	2 797	3 385	3 900
Panama (c)	2 338	2 820	3 275	3 550
Paraguay	949	1 204	1 469	1 560
Dominican Republic	1 837	1 921	2 572	2 850
Uruguay	3 129	4 255	4 589	4 700

Source : ECLA, based on official data; Brazil and Venezuela, ECLA, based on data furnished by the Bank for International Settlements.

- a) Preliminary figures.
- b) Figures which are not comparable with those before 1982, given the inclusion of the Mexican commercial banks' debts.
- c) Public debt.
- d) Includes the commercial banks' debt. Estimates based on data supplied by the Ministry of Finance and Public Credit.
- e) Includes the public debt plus the non-guaranteed long and short-term debt with financial institutions which furnish data to the Bank for International Settlements.
- f) Includes the total debt on a long and a short-term basis plus the short-term debt with financial organizations which furnish data to the Bank for International Settlements.
- g) Short, medium and long-term debt, not including the IMF and short-term credits for foreign trade activities.
- h) In September.

Since 1980, when the industrialized countries entered the longest post-war recession, the Latin American countries were faced with reduced economic activity and a financial crisis. This resulted from enormous foreign debt at rising interest rates, and also from diminished exports. The situation was abruptly aggravated when, in 1982, the commercial banks, which were the chief creditors of Latin America, showed great reluctance to extend their credit.

Faced with the severe reduction of outside resources and the destabilization of capital funds, most of the Latin American countries were obliged to institute restraining austerity measures.

Internally, the adoption of such austerity measures was responsible for the greatest drop in production and employment since the Great Depression. Nutrition, education, housing, health services - all of which had shown tangible improvement in the 70's - suffered enormous setbacks. The increase in population (more than 33 million) and the labour force (15 million) rendered the situation even more difficult.

Since 1984, thanks to the increase in exports and the rescheduling of the debt under more favourable conditions, there has been an industrial recovery in countries such as Brazil and Venezuela. In other countries, however, the situation remains very worrying. For the overall area, the gross product is increasing (3.1% in 1984). The decline in the per capita level of production, which had gone from 3.3% in 1982 to 5.3% in 1983, was effectively halted. In most countries, inflation rose moderately, but in some countries it has reached quite alarming levels.

Interest payments continue to absorb a great percentage of the export revenue (39% in 1982, 35% in 1984). The slight decrease is due principally to an increase in exports (approximately 10% in 1984).

Ratio between the total debt servicing and the
export of goods and services (percentages)

1977	12.4
1980	19.9
1981	26.4
1982	39.0
1983	35.8
1984	35.0

In the seven countries of the sub-continent (Argentina, Brazil, Chile, Colombia, Mexico, Peru and Venezuela) which are responsible for approximately 90% of the total foreign debt, and produce a similar percentage of the area's goods and services, the interests payments continue to add up to a sum equivalent to almost two third of the growth of the GDP projected for the 1985-90 period.

One of the most serious problems is the general paucity of capital investments. This inhibits extended, medium-term economic growth which would be sufficient to repay the debt and thus progressively to increase the quality of life.

The future evolution of the situation depends on several factors : the state of future interest rates; the economic growth rate within the industrialized countries and their ability to increase the volume of imports and investments. Finally, it will also depend on the attitude of the commercial banks and their willingness to extend further credit and to reschedule existing credit.

The seriousness of the situation has caused the Latin American countries to make concerted efforts to ease foreign debt and to avoid even more serious repercussions later on. Thus, a conference held in Quito (Ecuador) in January 1984 assembled the representatives of 26 Latin American and Caribbean countries. In their closing statement they requested the industrialized countries to show flexibility in the renegotiation of this debt and to abandon all protectionist measures on Latin American exports. The Quito statement was delivered to the Commission of the European Community.

On 21 and 22 June 1984, the representatives of 11 Latin American countries responsible for the majority of the area's foreign debt (Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Peru, Dominican Republic, Uruguay and Venezuela) met in Cartagena (Colombia). Their resolutions are contained in a communiqué entitled "The Cartagena Consensus". The main points of this document are :

- the establishment of an advisory body on foreign debt;
- the establishment of a list of principles to govern future negotiations on debt and trade. This list covers the following : interest rates and other bank charges; time given

for payment; funding by multi-lateral financial institutions; reform of the IMF; stabilization of the price of raw ; tariff and other obstacles to imports from industrialized countries.

The Quito conference was followed by two others : one held at Mar del Plata (Argentina) in September 1984 and the other in Santa Domingo (Dominican Republic) in February 1985.

On 15 April 1985, representatives of the Cartagena group visited the European Commission in Brussels for a discussion of the situation. In this capacity as Acting Secretary of the group of 11 countries of the Cartagena consensus, Mr Enrique V. Iglesias, Uruguay's Foreign Minister, explained the social and economic problems created by Latin America's foreign debt.

In fact, even without interfering in the relationships between debtors and creditors, the European Community can still contribute to the finding of solutions by using its influence in the international circles concerned, so as to obtain a reduction of the constraints weighing on debtor countries and create a more favourable climate for investment. Concerted efforts would further facilitate Latin America's exports; a united cooperative move, such as that proposed by the European Community in April 1984, would in turn help to contribute to a recovery of the economy.

Source of facts and figures contained in this chapter :

World Bank : Annual Report 1984

Interamerican Development Bank : Annual Report 1984

ECLA : Preliminary Report on Latin American Economy in 1984.

VII BILATERAL CONTRACTUAL RELATIONS

The European Community has concluded several agreements or arrangements with various Latin-American countries :

1. Brazil

Framework Agreement for cooperation between the European Economic Community and the Federative Republic of Brazil (1). Protocol concerning commercial and economic cooperation between the ECSC and Brazil. The Framework Agreement signed on 18 September 1980, which replaces the EEC-Brazil Trade Agreement of 1974, entered into force on 1 October 1982, for a period of five years, with automatic renewal.

The Joint Committee established by the agreement, whose main task is to monitor the development of different forms of cooperation between the two parties, met in Brussels for the first time on 19 and 20 January 1984.

A Commission delegation, led by Mr Cheysson, member of the Commission, travelled to Brasilia on 14 and 15 March 1985, on the occasion of the transfer-of-power ceremonies. Mr. Cheysson welcomed Brazil's return to democracy.

Apart from the ceremonies themselves, a meeting took place with the new Brazilian Foreign Minister, Mr Setubal, during which both parties re-affirmed their willingness to forge closer relations between the Community and Brazil insofar as commercial and economic cooperation are concerned.

2. Mexico

Framework Agreement for commercial and economic cooperation between the EEC and Mexico (2).

Signed on 15 July 1975, the Agreement entered into force on 1 November 1975 for a period of five years, but is renewed automatically thereafter from year to year.

The Joint Committee set up by the agreement met for the fifth time from 5 to 7 December 1984 in Mexico City to draw up the schedule of the cooperation agreed to and to draft new projects.

Thus, two integrated trade promotion projects were developed for fisheries and agriculture.

(1) Official Journal L 281/82, page 1
(2) Official Journal L 247/75, page 10

In the context of the Community project "Research and Development" (1), two tropical agriculture projects presented by Mexico have been funded by the European Community. Where bilateral cooperation in scientific matters is concerned, a project dealing with the natural resources of the Sonora desert was implemented in 1985.

From 27 November to 4 December 1984, three seminars on the Generalized System of Preferences (GSP) were held by the Commission in Guadalajara, Monterrey and Mexico City to benefit Mexican businessmen and exporters. This was the third time that such seminars had been organized in Mexico since the establishment of the GSP.

From 3 to 5 December 1984, other meetings, organized by the Commission, also took place in Guadalajara between Mexican and European businessmen.

On 17 June 1985, the President of Mexico, Mr Miguel de la Madrid Hurtado, accompanied by a large, distinguished delegation, visited the Commission. On this occasion, the President of the Commission, Mr Jacques Delors, paid tribute to Mexico's economic recovery and to the government's courageous policy in resolving the nation's crisis.

Discussions were based mainly on the relations between the EEC and Mexico that both parties wished to develop; on the European Community's cooperation with Central America following the San José meeting of September 1984; on GATT's next multilateral negotiations and the problems of economic growth which Latin America is faced with given the size of its debt.

The 6th meeting of the Joint Committee on the European Community and Mexico was held in Brussels on 7 and 8 November 1985. The Mexican Secretary of State for Foreign Affairs, Mr Bernardo Sepulveda Amor and Mr Claude Cheysson, member of the Commission, started the meeting by reiterating their support for the development of cooperation between the Community and Mexico.

In the field of energy, cooperation in the use of low-heat-content geothermal fluids in Mexico was the subject of a funding agreement and will shortly be implemented. As for science, a meeting will take place at the beginning of 1986 between the representatives of the Commission and Mexican scientists to evaluate the progress of research activities as they proceed and to establish a programme of "scientific and technical" cooperation to be started in 1986 and 1987.

(1) Official Journal L 352/82

3. Uruguay

Non-preferential Trade Agreement between the EEC and Uruguay (1) in force since 1 August 1974.

Following the invitation issued by the newly elected Uruguayan President to the President of the Commission, Mr Claude Cheysson, Member of the Commission responsible for North-South relations, went to Uruguay on 1 and 2 March 1985 to attend President Sanguinetti's investiture and thus recognize Uruguay's return to democracy.

On 15 April 1985, Uruguay's newly appointed Foreign Minister, Mr Enrique V. Iglesias, paid a visit to the Commission. Anxious to see Uruguay's economic development strengthen the country's political stability, both parties agreed on the need to diversify their commercial and economic relations and to extend them to new realms of cooperation.

The Community-Uruguay Joint Committee established by the Trade Agreement held its second meeting in Brussels on 26 November 1985. Mr Iglesias, the Uruguayan Foreign Minister, and Mr Cheysson inaugurated the meeting. A schedule of commercial relations was drawn up and the need to expand the field of common activity was expressed. The Uruguayan delegation was satisfied with the increase in the beef quota, and an anti foot-and-mouth disease cooperation project was launched. This will help Uruguayan stockfarmers to export their products to other markets.

4. Others

Other bilateral agreements were reached in more specialised fields :

- a cooperation agreement concerning the peaceful uses of nuclear energy was signed with Brazil in 1961 (2), but this expired on 23 June 1985;
- in the context of the Multifibre Arrangement concerning textiles, the Community has negotiated Agreements with Brazil, Colombia, Guatemala, Haiti, Mexico, Peru and Uruguay. These Agreements are applicable for the period 1983 to 1986. Although in general they involve voluntary restraint arrangements for certain categories of products, they also guarantee access to the Community market. No agreement has been concluded with Argentina and, as from 1 January 1983, the Community introduced special surveillance measures in respect of Argentine products;

(1) Official Journal L 333/73, pages 1 to 14

(2) Official Journal L 79/69, page 7

- arrangements in the form of an exchange of letters on trade in mutton and lamb with Argentina and Uruguay have been in force since 20 October 1980;
- an Agreement in the form of an exchange of letters with Brazil concerns imports of manioc from Brazil and lays down annual tariff quotas;
- there are agreements with Argentina, Bolivia, Chile, El Salvador, Ecuador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru and Uruguay, making it easier for cottage industry products from these countries to be imported into the Community;
- since 1978, the Community has drafted annual agreements with Brazil concerning imports of Brazilian pig iron into the Community. In May 1985, this agreement was extended to include all manner of iron and steel products and the Community suspended the anti-dumping and countervailing duties previously applied to certain categories of products.

VIII MULTILATERAL RELATIONS

1. Andean Pact (Bolivia, Colombia, Ecuador, Peru, Venezuela) (1) Cooperation Agreement (2)

Cooperation (through the Junta of the Cartagena Agreement) between the Community and the Andean Pact (as a regional grouping) is longstanding, having been established with the very birth of the Pact. Such cooperation has not been limited only to funding - the Community is undoubtedly one of the main suppliers of assistance to the Junta - but has also been extended to include the Junta's institutional and administration structure.

On 28 February 1980 the Commission recommended to the Council that negotiations be opened with the Andean Group with a view to concluding a framework agreement for commercial and economic cooperation. This recommendation was a follow-up to the discussions which took place in July 1979 between the President of Colombia, Mr Turbay Ayala, and members of the Commission.

Following a meeting at ministerial level on 5 May 1980 in Brussels, negotiations commenced but were interrupted by the coup which took place in Bolivia in July 1980.

Negotiations were formally resumed in June 1983 and the framework agreement was initialled on 22 October 1983. The signing took place in Cartagena (Colombia) on 17 December 1983 in the presence of the Heads of State of the member nations of the Andean Pact, the Vice-President of the Commission and the President of the Council.

The agreement is the first of its kind concluded between the Community and a regional grouping in Latin America, thus giving a new impetus to regional integration in the sub-continent.

It is a non-preferential agreement, valid for five years but automatically renewable for further two-year periods. Both parties grant each other most-favoured-nation treatment in GATT.

Both parties agreed to promote, diversify and improve their trade relations qualitatively through appropriate action. They encourage industrial cooperation between both regions and will develop, as much as possible, scientific and technical cooperation in a great number of fields, as well as development cooperation.

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- (1) Andean Pact instituted by the Cartagena Agreement in 1969.
The Junta of the Cartagena Agreement is the executive body.
- (2) Official Journal L 153 of 8 June 1984

2. Central America

The European Community is anxiously monitoring the deteriorating situation in Central America and the progressive build-up of conflicts in the context of East/West antagonism.

In the past this anxiety has manifested itself by official declarations and proposals that favour greater cooperation, and also an increase in the aid given each year to the countries of the Central American isthmus.

Approximately 50 million ECU, representing half the assistance allocated to Latin America as a whole, was granted to these countries in 1984. In 1982, a special loan of 30 million ECU was added to this aid as a result of the deteriorating situation. The European Community's aid has more than doubled, if one considers the assistance granted individually by Member States.

The brunt of this aid went to Nicaragua and Honduras, given the particularly grave situation there.

Because of the socio-economic origins of the Central American crisis, the majority of the Community's investments have served to improve rural production; they have lessened the nutritional deficit and have eased the negative balance of commercial interaction.

Looking to the future, the cooperation agreement concluded with Costa Rica, Guatemala, Honduras, Nicaragua, El Salvador and Panama will render the European Community's aid even more efficient and will give it an institutional framework while, at the same time, establishing permanent political dialogue between the parties who are likely to contribute to peace in the region.

A final rectification of the economic and social situation will only be attained with the combined will and efforts of the isthmus countries themselves. Their determination will constitute the necessary precondition for positive development in the area.

Also, the European Community has supported, from the very start, and notably through the declaration of the European Council of Stuttgart (June 1983) and that of Dublin (December 1984), the regional initiatives of the Contadora Group (Mexico, Panama, Venezuela and Colombia) in its search for a peaceful solution based on non-interference, disarmament, political pluralism, respect for human rights and socio-economic development.

San José Conference at Ministerial Level

The conference held at ministerial level in San José (Costa Rica) on 28 and 29 September 1984 launched a new era of dialogue between Europe and Central America. The participants at this conference were, on the European side, the Ten's Foreign Ministers, those of Spain and Portugal and the European Commission. Representing Latin America were the Foreign Ministers of the five countries of the Central American Common Market (CACM) and those of the four countries in the Contadora Group.

All participants reaffirmed their conviction that the problems afflicting the region can never be resolved by military means, but rather by political solutions which spring from the region itself and which respect the principles of non-intervention and the inviolability of national borders. They gave their support to the peace measures drawn up by the Contadora Group.

Participants in the Conference agreed on the need to strengthen and deepen ties between Europe and Central America and declared themselves ready to start discussions with a view to reaching an agreement on regional cooperation. Such an agreement would give cooperation a more appropriate institutional framework and would allow the Community and its members to contribute more effectively to the stabilization of the region.

Economic Cooperation Agreement / 2nd Conference at Ministerial Level

In keeping with the resolution taken at the San José conference at Ministerial level, the Commission issued a recommendation to the Council, on 15 May 1985, concerning the conclusion of a Cooperation Agreement with the countries party to the General treaty of Central American Economic Integration (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua) as well as Panama.

After two negotiating sessions, the signing of the Agreement took place on 12 November 1985 in Luxembourg, on the occasion of the second European Community/Central America meeting at Ministerial level.

The Agreement establishes an institutional framework for the growing cooperation between the two regions and highlights three main areas of cooperation : economic, commercial and development cooperation.

In the chapter on economic cooperation, both parties commit themselves to promote contacts between companies and the industrial sector of both regions, to encourage European investment in Central America and to develop specific activities of cooperation in a great number of economic areas.

In the chapter dealing with commercial cooperation, both parties grant each other most-favoured-nation treatment. They undertake to develop their mutual trade by all means available including consultations if and when commercial difficulties arise, and also to adopt measures to further commercial promotion and vocational training in Central America.

In an Appendix to the Agreement, the European Community states its intention of taking into account Central America's requests for an improvement in the Generalized System of Preferences (GSP).

Insofar as cooperation for development is concerned, the Community confirms its desire to continue granting financial and technical aid to Central America within the context of its assistance programmes for developing countries. One of the objectives of this aid will be to encourage regional integration through projects of integrated rural development through common training programmes and through projects which aim to instil regional food self-sufficiency and an improvement in the health situation. In a statement annexed to the Agreement, the European Community commits itself to increase its aid substantially within the first five years of the Agreement.

The Agreement institutes a joint Cooperation Committee charged essentially with studying and promoting the activities specified in different chapters of the Agreement.

The Agreement will be valid for five years, but could be prolonged tacitly for periods of two years.

The Ministers who met at the 2nd Conference at Ministerial Level in Luxembourg on 11 and 12 December 1985 expressed their satisfaction on the signing of this Agreement, which should contribute to the strengthening of economic integration in Central America, and should support both its economic development and social progress and thus ensure greater political stability.

The Ministers agreed to institutionalize the political dialogue initiated in San José (Costa Rica) by the organization of a yearly meeting thus putting European Community/Central American relations on a new footing. The final document of the Conference expresses the hope that political dialogue will contribute to the efforts of the Central American countries in seeking to find a peaceful and negotiated solution to the area's instability, following the initiative of the Contadora Group.

The Luxembourg Conference offered its participants the opportunity to exchange viewpoints on the economic and political situation in Central America, and to explain their own view of the crisis and the role which each of the three represented groups can play in the bringing of peace. (The Conference consisted of the Foreign Ministers of the European Community,

Spain and Portugal, the Commission of the Community, as well as the Foreign Ministers of the Central American countries and the Contadora Group).

The political communiqué published at the time of the Conference reaffirmed support for the efforts of the Contadora Group in ending the region's violence, as well as the hope that political dialogue and economic cooperation will contribute to the strengthening of principles of democracy and human rights in all the countries of the area.

Central American Common Market (CACM)

The foundations for effective economic integration in Central America were laid with the signature of the General Treaty of Central American Economic Integration on 13 December 1960 in Managua. Four members of CACM (Guatemala, Honduras, Nicaragua and El Salvador) took part initially in this Agreement and Costa Rica joined in 1962. Later on, Panama reached bilateral agreements with the five members of CACM.

This Treaty establishes a number of measures aimed at an eventual economic union, namely the establishment of a common customs tariff (now more than 90% complete), a degree of unity in productive investments, a coordination of economic policies and monetary schemes.

Several agencies have been established for the implementation of these objectives, notably an agency of administrative and technical coordination, the Permanent Secretariat (SIECA), which has its headquarters in Guatemala City.

The development of the CACM was favoured during the 60's by a strong economic expansion which corresponded to an important phase of progress in economic integration. Since then, the recession, inflation, lower prices for main export products and, above all, violent political disturbances have seriously affected the workings of the CACM.

Nonetheless, and in spite of all the difficulties, efforts on the part of the isthmus countries to safeguard progress already made and to reactivate regional integration have not been abandoned and have even been intensified of late. The Isthmus countries find significant support in the Contadora initiative which aims at general stability in the region in political, economic and social matters.

3. European Community - Latin America Dialogue

Following a 1970 meeting in Buenos Aires, the Latin American countries which make up CECLA (Special Coordinating Committee for Latin America) published a statement which proposed more systematic cooperation between Latin America and the European Community. Thereafter, the Ambassadors of the Latin American countries which are members of CECLA, the Permanent Represent-

atives Committee of the European Community's member countries as well as the European Commission, drafted a joint statement which stressed the great importance which Latin America and the European Community attach to their reciprocal relations.

A "dialogue" was established in the form of annual meetings to be held in Brussels. At the beginning of the 80's, the process of this dialogue was revised in the interests of greater efficiency.

Among the subjects discussed were trade relations (the external impact of the common agricultural policy, the international textile market, and the generalized system of preferences) and cooperation for development.

The "renewed" dialogue was interrupted in 1982 in the wake of the Falklands Islands crisis, at the request of the Latin American countries. Efforts were made to renew the dialogue but, in a letter dated 9 July 1984 GRULA (1) informed the Commission that, in its opinion, the possibilities of positive progress (which would allow the dialogue to continue) were not forthcoming. On 23 October 1984, a resolution adopted by SELA ratified this decision by upholding the suspension of the "renewed" dialogue.

Given these conditions, the Commission, which is still prepared to renew dialogue formally, considers that it is necessary to evaluate, on a pragmatic basis, the subjects and themes which are to be discussed on the general level, so as to arrive at a definition of themes which can be examined in the spirit of "renewed dialogue". It considers that subjects pertaining to economic and commercial cooperation are apt subjects of dialogue.

4. SELA (Latin American Economic System)

Since the establishment of SELA in 1975, the Commission has had official contacts with SELA's Permanent Secretariat in Caracas. These contacts have been more frequent since the Commission Delegation for Latin America has been located in Caracas.

SELA, which comprises all the Latin-American countries and a number of the Caribbean countries, has a twofold objective : to promote regional cooperation and integration and to encourage consultation between its member countries in order to coordinate their position in international forums and vis-à-vis other countries.

(1) GRULA : Group of Latin-American Ambassadors accredited to EEC

5. Parliamentary Links

The European Parliament closely monitors the political and economic scene in Latin America. Numerous debates and resolutions are dedicated to this subject and the Parliament's Delegation for Latin American affairs has maintained parliamentary links since 1964, notably with the Latin American Parliament (1) and the Andean Parliament (2).

The European Community/Latin American Interparliamentary Conference, which has already met seven times (Bogota 1974, Luxembourg 1975, Mexico 1977, Rome 1979, Bogota 1981, Brussels 1983 and Brasilia 1985) represents the centre of these relations. Debates have been concentrated on the defence of democracy, human rights, economic and financial relations and industrial, technological and cultural cooperation. At the 1983 Brussels Conference, proposals were made with a view to establishing Europe/Latin America cooperation once again, following the South Atlantic crisis. Furthermore, the Commission's proposal concerning the creation of a Europe/Latin America Institute received the support of both the European and Latin American Parliaments.

The VIIth Interparliamentary Conference took place in Brasilia from 16 to 23 June 1985. It unanimously adopted a final Charter which insists on the need for more solid Europe/Latin American relations, and recommends the rapid conclusion of a cooperation agreement with Central America. As for foreign debt, the Charter evokes the co-responsibility of the international community. For 1986, the Conference proposes the organization of a conference on the protection of the environment in Latin America and Europe.

Ad hoc delegations of the European Parliament have, in recent years, organized missions in several Latin American countries. In the context of these missions, which have sometimes been presided over by the President of the European Parliament, delegates have participated in plenary sessions of the Latin American Parliament and the Andean Parliament. The Presidents of these two assemblies have, in turn, visited the European Parliament in Strasbourg and Brussels. They have met its President and also the Delegation for Latin American relations.

(1) Members : Dutch Antilles, Argentina, Bolivia, Brazil, Colombia, Costa Rica, Cuba, El Salvador, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, The Dominican Republic, Uruguay and Venezuela. Representatives of dissolved parliaments may participate in meetings as observers.

(2) Members : Bolivia, Colombia, Ecuador, Peru and Venezuela.

These meetings guaranteed a follow-up of the joint decisions taken during parliamentary conferences and facilitated the adoption of subsequent measures.

Finally, in replying to the invitation of certain Latin American governments, the European Parliament decided to send members as observers to recent national elections.

Concerning more recent resolutions reached by the European Parliament on the subject of Latin America, it is worth noting a good number of these were adopted through emergency procedures, thus allowing European representatives to express themselves immediately on the main political events which have transpired in several Latin American countries, and also to defend vigorously human rights and fundamental freedoms.

On 13 June 1985, relations between the European Community and Latin America were the subject of three resolutions by the European Parliament, of which the first was the approval of the Commission's proposal of a cooperation agreement with Central America, expressing the hope that this agreement might contribute to the autonomous development of the area and the start of a longlasting period of peace. In the other two resolutions, the Parliament lent its support to, on the one hand, economic relations with Latin America, and on the other, to Community cooperation for development.

All these activities demonstrate the special interest the European Parliament has in the destiny of Latin America and in the improvement of relations with the Community.

IX ESTABLISHMENT OF A EUROPEAN-LATIN AMERICAN INSTITUTE

The establishment of a European Latin American Institute follows a private proposal made by European and Latin American officials. It springs also from a proposal made by the Commission on 21 March 1983 and recommendations of the VIth European Community/Latin American Interparliamentary Conference of June 1983.

To demonstrate its support of this proposal, the European Parliament approved a sum of 950 000 ECU in the 1984 budget in favour of the Institute. This sum was entirely spent in the course of 1984. A further sum of 350 000 ECU was projected for the 1985 budget.

On 25 April 1985, the Organizing Committee in charge of preparations decided to establish the European headquarters of the Institute in Madrid. The Latin American headquarters will, in principle, be established in Brasilia.

The new Institute, established in October 1984, aims to strengthen understanding and relations between the European Community and the Latin American continent, without excluding cooperation with other national organizations more specifically dedicated to cooperation and bilateral relations, as well as multi-lateral organizations such as, on the European level, the Council of Europe. The Institute will assist both the European Parliament and the Commission in well-defined areas and in a regional political context.

In order to attain its ends, the ELAI will organize conferences and seminars, collect all relevant information which is relative to relations between the two areas, provide advice and encourage studies and research economic and political problems.

The Institute will consist of three separate agencies : the International Council, the Council of the Institute and the Executive Committee.

X COMMISSION DELEGATION AND INFORMATION OFFICE IN LATIN AMERICA

The Commission of the European Communities is represented in Latin America by a Delegation, whose headquarters is in Caracas, Venezuela (Quinta Bienvenida, Calle Colibri, Valle Arriba, Distrito Sucre) with a branch office in Santiago, Chile (Avenida Americo Vespucio Sur 1835) and another in San José, Costa Rica in Central America.

The aim of the Press and Information Office attached to the Delegation in Caracas is to answer questions, provide documentation and generally highlight the European Community's activities in Latin America, both to the media and the general public.

On 5 February 1985, a Delegation of the Commission of European Communities in Brazil was established in Brasilia : Shis -QI-07 Bloco a Lago Sul, Brasilia D.F. (postal address : P.O. Box 07/1134, Brasilia D.F.).

INFORMATION ACTIVITIES IN LATIN AMERICA

a) Publications :

The Press and Information Office of the European Community in Caracas and its Branch Office in Santiago originate and distribute the following publications to the public, free of charge :

1. Basic brochure on Latin America and the European Community (1985) in Spanish and Portuguese.
2. Bulletin "Europa" (articles dealing with Community news), six copies per year, four in Spanish and two in Portuguese.
3. Dossier "Europa" (on specific subjects pertaining to the European Community); irregular publication, in Spanish and English.
4. Press communiqués for journalists and Press Agencies in Spanish, Portuguese.
5. Notieuropa, fortnightly newsletter of current Community information

Furthermore, the following publications are at the disposal of the general public :

- Memorandum "Europe Information - External Relations" on the European Community and Latin America N° 82/85 (November 1985) in Spanish,
- Brochure "Cooperation for Development" in Spanish, 1985.

b) Films and Audio-Visual Material :

The Press and Information Office has at its disposal several films, as well as audio-visual material, illustrating the historical evolution of Europe and the European Community's activities (in Spanish and Portuguese).

c) Travelling Exhibitions :

Two travelling exhibitions, the European Community's "Simon Bolivar and Europe" and "Historical Landmarks", have travelled throughout Latin America for a period of three years. In 1985, "Simon Bolivar and Europe" is projected for Central American distribution. Similarly, in July 1985 the exhibition "European Centres" has started its rounds of the principal museums of the Continent.

d) Participation in the Continent's Fairs :

Each year the Caracas Office takes part in trade fairs which are held in the main cities of the Latin American continent. Operating from an information stand, pamphlets are distributed in order to inform the public of the different activities of the European Community as well as its history and objectives.

e) Radio :

For the last four years, the European Community has distributed news programmes of interest to Latin American listeners to a dozen radio stations in Latin America.

f) Reference Centres :

31 Reference Centres on the European Community have been established in universities across Latin America. They regularly receive the main publications and their addresses may be obtained from the Press and Information Office.

g) Seminar - Visits :

In cooperation with the relevant European Community services, the Press and Information Office organizes informational visits to the European Community in Brussels for Latin American officials and representatives of the media.

Similarly, within the context of a training programme on the European Community, the Visitor's Programme to the European Community (VPEC), the Commission and the European Parliament co-finance and organize visits by Latin American officials to European Community member countries, as well as to Community headquarters (Brussels, Luxembourg, Strasbourg). The visitors are politicians, civil servants, journalists, union officials and university students who are selected and proposed by the office.

From time to time, the Office organizes, for those interested in Latin America, seminars or meetings intended to establish bases for dialogue with the above-mentioned officials on matters of mutual interest.

APPENDIX

GENERAL INFORMATION ON LATIN AMERICA

Population	:	375 million (*) in 1984 (of which 70% is accounted for by Brazil, Mexico, Argentina and Colombia), compared with 302 million in 1975 and an estimated 600 million by the year 2000.	
GDP Growth	:	1979	+ 6.5%
		1981	+ 1.7%
		1983	- 3.1%
		1984	+ 3.1%
Per Capita Income	:	1979	953 \$ (+ 3.9%)
		1983	893 \$ (- 5.3%)
		1984	895 \$ (+ 0.2%)*
		Deviations in 1984*	
		Mexico	1.280 \$
		Bolivia	288 \$
Development of Urban Unemployment (annual averages)	:	Some examples for 1984*	
		Argentina	4.0
		Bolivia	13.3
		Chile	18.6
		Mexico	6.3
		Nicaragua	19.8
Development of Consumer Prices (annual variations from December to December as percentages)	:	1983	130.8
		1984	175.4
		Variations in 1984*	
		Argentina	675.0
		Bolivia	1.682.3
		Chile	22.2
		Nicaragua	40.0
External Trade (growth rate)	:	<u>1982</u>	<u>1984</u>
		Imports	- 18.7 + 4.7
		Exports	+ 2.7 + 9.8

* Preliminary figures

Gross Investment	:	1960-70	+	6.4
		1970-79	+	6.9
		1980	+	7.6
		1981	+	1.4
		1982	-	19.1
		1983	-	14.1

Sources : ECLA (United Nations), International Monetary Fund
and World Bank, Inter-American Development Bank.

* Preliminary figures

EUROPE INFORMATION "EXTERNAL RELATIONS"

The following copies of "European Information" are still available, and may be obtained from :

Directorate General for Information
Documentation Service, Berl. 2/74 A
Commission of the European Communities
Rue de la Loi 200

B-1049 BRUSSELS

- 37/80 List of main EEC agreements with other countries
- 40/80 The Community of Ten in figures
- 41/81 The Generalized System of Preferences and the European Community
- 45/81 The European Community and Bangladesh
- 47/81 The European Community and Japan
- 48/81 The European Community and Sweden
- 49/81 The European Community and Norway
- 53/81 The European Community and Central America
- 54/81 The European Community and Canada
- 57/82 The European Community and the United States
- 58/82 Portugal and the European Community
- 61/82 The European Community and the EFTA countries
- 63/82 The European Community and Brazil
- 65/83 The European Community and Yugoslavia

- 69/83 Spain and the European Community
- 70/83 The European Community and New Zealand
- 72/84 The European Community and Sri Lanka
- 73/84 The European Community and India
- 74/84 The European Community and South Korea
- 75/84 The European Community and the Arab Republic of Yemen
- 76/85 The European Community's Textile Trade
- 78/85 The European Community and Australia (in preparation)

- 80/85 The European Community and the Gulf Cooperation Council (GCC)
- 81/85 The European Community and ASEAN
- 82/85 The European Community and Latin America
- 83/85 The European Community and the People's Republic of China