

# European Community

## News Release

BACKGROUND NOTE

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### EC/YUGOSLAVIA RELATIONS

EC-Yugoslavia relations were first formalized by a three-year Non-preferential Agreement which was signed in Brussels in 1970, and expired on 30 April 1973. It was succeeded by a five-year Agreement signed in 1973, which was extended by tacit agreement when it expired on 30 September 1978.

Under the terms of this Agreement, the two Parties accorded each other most-favoured-nation status and established an EC/Yugoslavia Joint Committee which played a central role in the implementation of the Agreement.

The Agreement contained a clause which allowed for "evolution" by which Yugoslavia and the Community would be able to develop economic cooperation as a complementary element to trade in areas of mutual interest in the light of developments in the Community's economic policies.

Since 1974, relations between the Community and Yugoslavia have been intensified at the level of Ministerial meetings and the Joint Committee.

The visit of Sir Christopher Soames (then Vice-President of the Commission responsible for External Relations) to Belgrade in April 1974 was followed by that of Mr. Ortoli, President of the Commission, in June 1975.

The EC-Yugoslav Joint Committee met for the first time, at the Ministerial level, in Brussels on 24 July 1975.

The President of the Federal Executive Council of the Socialist Federal Republic of Yugoslavia, Mr. Bijedic, visited the Commission on 19 February 1976. This was the first visit to the Commission of a Yugoslav Head of Government.

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The Community expressed its interest in seeking measures to check the growth of Yugoslavia's trade deficit with the Nine. The two Parties decided to implement the "evolution" clause in the 1973 Agreement by setting up two subcommittees, one for agriculture and one for industry, with the task of gathering information required for the development of economic cooperation in areas of common interest and examining projects to develop such cooperation on the markets of the Community and Yugoslavia and on the markets of other countries.

The Joint Committee met at the Ministerial level in Brussels on 29 March 1977. The Yugoslav and Community delegations noted the necessity of commencing preparations for negotiations aimed at the conclusion of a new agreement with a wider field of application to replace the current agreement.

This new Agreement was to facilitate among other things a more dynamic development of trade and to encourage new forms of cooperation covering the areas cited in the Joint Declaration.

The Joint Committee, desiring to give a practical follow-up to the guidelines laid down in the Declaration, decided to set up a subcommittee with the task of identifying sectors and studying projects in line with the Declaration.

A third meeting of the Joint Committee was held at the Ministerial level in Belgrade on 27 October 1977. Both parties stressed the progress achieved by the subcommittee for economic cooperation set up at the meeting in March 1977. This subcommittee, which met in Brussels on 26 May 1977 and in Zagreb on 22 September 1977, pinpointed the sectors in which intensified cooperation was to be pursued: medium-term economic policy, balance of payments, transports, environment, labour, scientific and technical cooperation.

During the second half of 1977 a number of European personalities visited Yugoslavia.

Mr. W. Haferkamp, Vice-President of the Commission with special responsibility for External Relations, visited Belgrade from 11 to 17 September 1977 with a view to investigating ways and means of strengthening cooperation between Yugoslavia and the Community.

Mr. Henri Simonet, then President of the Council of Ministers, during an official visit to the Yugoslav capital on 23 and 24 September 1977, stressed the importance of even closer relations between the Community and Yugoslavia.

On 17 January 1978 the European Council approved draft directives to the Commission for the opening of negotiations with Yugoslavia. In the course of the first two negotiating sessions, which took place in March and April 1978, it became clear that the scope of the directives would have to be enlarged. Following discussion of the matter by the Council on 6 June and exploratory talks between Mr. Haferkamp and the Yugoslav authorities in June 1978, the Commission drew up fresh offers.

On 6 February 1979, the Council adopted new proposals for directives.

On 25 February 1980, the head of the EC Delegation, Mr. Wilhelm Haferkamp, and the head of the Yugoslav Delegation, Mr. Stojan Andov, initialled the trade and cooperation agreement.

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