

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(90) 84 final

Brussels, 8 March 1990

Proposal for a
COUNCIL DECISION

concerning the conclusion of the Framework Agreement for trade and economic cooperation between the European Economic Community and the Argentine Republic

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. By its decision of 19 December 1989, the Council authorized the Commission to open negotiations with Argentina with a view to concluding a framework agreement for trade and economic cooperation and adopted directives to this end.
2. Two negotiating sessions took place, the first on 11 and 12 January 1990, and the second on 6 February 1990. The second session ended with the initialling of the agreement between the Community and Argentina. An exchange of letters concerning shipping is attached to the Agreement and forms an integral part of it.
3. The Commission considers that the text initialled is in line with the directives adopted by the Council on 19 December 1989.
4. Because the legal basis of the Agreement includes Article 235 of the Treaty of Rome in addition to Article 113, Parliament must be consulted.
5. With a view to the signature and conclusion of this Framework Agreement for trade and economic cooperation between the Community and Argentina, the Commission is proposing to the Council that it approve the Agreement and adopt the attached proposal for a Decision.

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Articles 113 and 235 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas the Community should approve, for the attainment of its aims in the sphere of external economic relations, the Framework Agreement for trade and economic cooperation with the Argentine Republic;

Whereas certain forms of cooperation proposed under the Agreement exceed the powers of action provided for in the field of the common commercial policy,

HAS DECIDED AS FOLLOWS:

Article 1

The Framework Agreement for trade and economic cooperation between the European Economic Community and the Argentine Republic is hereby approved on behalf of the Community.

The text of the Agreement is attached to this Decision.

Article 2

The President of the Council shall give the notification provided for in Article 11 of the Agreement¹.

Article 3

The Commission, assisted by representatives of the Member States, shall represent the Community in the Joint Committee set up by Article 7 of the Agreement.

Article 4

This Decision shall enter into force on the day following its publication in the Official Journal of the European Communities.

Done at Brussels,

For the Council
The President

¹ The date of entry into force of the Agreement will be published in the Official Journal of the European Communities by the General Secretariat of the Council.

FRAMEWORK AGREEMENT
for trade and economic cooperation
between the European Economic Community
and the Argentine Republic

PREAMBLE

THE EUROPEAN ECONOMIC COMMUNITY,

of the one part,

THE GOVERNMENT OF THE ARGENTINE REPUBLIC,

of the other part,

CONSIDERING the importance of the traditional links of friendship between the Argentine Republic and the Member States of the European Economic Community,

CONSIDERING THAT the European Economic Community and the Argentine Republic wish to establish a direct link in order to maintain, complement and extend the existing relations between the Argentine Republic and the Member States of the European Economic Community,

CONSIDERING THAT Argentina, following recent internal political developments, wishes to stabilize and strengthen democracy and promote economic and social progress,

RECOGNIZING THAT to this end Argentina is making considerable efforts to restructure its economy,

CONSIDERING THAT Argentina is engaged in a process of regional integration with certain Latin American countries which is bound to be conducive to progress, economic reform and political stability,

CONSCIOUS that there are serious regional imbalances in Argentina, that the most depressed regions are, in the main, border areas and that this situation complicates the process of integration with neighbouring countries referred to above,

NOTING THAT Argentina enjoys normal economic and trade relations with all the Member States of the Community,

DESIROUS of creating favourable conditions for the harmonious development and diversification of trade and the promotion of trade and economic cooperation on a basis of equality, non-discrimination, mutual advantage and reciprocity,

BELIEVING that a new impetus should be given to trade and economic relations between the Community and Argentina by strengthening the cooperation aspects,

RECOGNIZING that the Community and Argentina wish to establish contractual links aimed at fostering trade and economic cooperation capable of further development at a later stage and taking account of the opportunities opened up by the completion of the single market in the 1990s,

CONVINCED that such cooperation must be implemented in an evolving and pragmatic fashion, in a spirit of good will, as their respective policies develop,

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

THE EUROPEAN ECONOMIC COMMUNITY,
.....

THE GOVERNMENT OF THE ARGENTINE REPUBLIC,
.....

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

HAVE AGREED AS FOLLOWS:

Article 1

Democratic basis for cooperation

1. Cooperation ties between the Community and Argentina and this Agreement in its entirety are based on respect for the democratic principles and human rights which inspire the domestic and external policies of the Community and Argentina.

2. The strengthening of democracy and regional integration are the basic principles of this Agreement and are a concern shared by the two Parties. Implementation of this Agreement shall be ensured by encouraging economic and social development by means of trade, economic, agricultural, industrial and technological cooperation.

Article 2

Most-favoured-nation treatment

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

2. The Contracting Parties also undertake to consider granting, each in accordance with its legislation, relief from duties, taxes and other charges in respect of goods temporarily remaining in their territories for re-exportation either in the unaltered state or after inward processing.

Article 3

Trade cooperation

1. The Contracting Parties undertake to promote the development and diversification of their trade to the highest possible level consistent with their respective economic situations.
2. To this end they agree to study ways and means of eliminating barriers to trade between them, in particular non-tariff and quasi-tariff barriers, taking into account the work carried out by international organizations in this field.
3. The Contracting Parties shall, each in accordance with its legislation and according to its relative level of development, conduct a policy aimed at:
 - (a) granting each other the most extensive facilities for commercial transactions in which either Party has an interest;
 - (b) cooperating at bilateral and multilateral level in solving trade problems of common interest, including problems relating to commodities, agricultural products, and semi-manufactured or manufactured products;
 - (c) taking into account their respective needs and interests regarding both access to and the further processing of resources and market access for the Contracting Parties' products;
 - (d) bringing together economic operators from the two regions with the aim of diversifying and expanding existing trade flows;
 - (e) studying and recommending trade promotion measures likely to encourage the expansion of imports and exports.

Article 4

Economic cooperation

1. The Contracting Parties, taking into account their mutual interest and long-term economic objectives, shall foster economic cooperation in all fields deemed suitable by them, with no field excluded from the outset and taking into account their different levels of development.

The objectives of such cooperation shall be *inter alia*:

- to encourage the development and prosperity of their respective industries,
- to open up new sources of supply and new markets,
- to encourage scientific and technological progress in all areas in which cooperation is possible, expanding programmes existing at the date of this Agreement and extending cooperation to other sectors,

- to encourage cooperation between economic operators, with the aim of promoting the creation of joint ventures and other forms of industrial cooperation which their respective industries might develop;
- generally to contribute to the development of their respective economies and standard of living,
- to support the process of regional integration in which Argentina is engaged with certain Latin American countries, taking account of the problems raised by depressed border areas which make integration with bordering countries difficult.

2. As means to such ends, the Contracting Parties shall endeavour *inter alia* to facilitate and promote by appropriate means:

- (a) cooperation for the development of industry, agro-industry, food processing, mining, fisheries, infrastructure, transport and communications, telecommunications, health, education and training, tourism and other services;
- (b) broad and harmonious cooperation between their respective industries, particularly in the form of joint ventures in all productive sectors;
- (c) greater participation by each side's economic operators in the development of the various sectors of the Contracting Parties' industries on mutually advantageous terms;
- (d) scientific and technological cooperation: In this field, the Community shall encourage high-level scientific research with Argentina by setting up an appropriate scientific framework for cooperation between the Parties. It shall promote exchanges of scientists and encourage the establishment of lasting and stable links between the two Parties;
- (e) promotion of the transfer of technology to sectors identified by mutual agreement, while cooperating with good will on all aspects of industrial, commercial and intellectual property rights, each in accordance with its legislation;
- (f) vocational and administrative training;
- (g) cooperation in the field of energy;
- (h) cooperation in creating favourable conditions for the expansion of investment on a basis of advantage for both parties;
- (i) cooperation in the protection of the environment and natural resources;
- (j) cooperation in respect of third countries;
- (k) cooperation in regional integration, based on the transfer of experience;
- (l) cooperation in all aspects of industrial standardization.

3. The Contracting Parties shall as appropriate encourage the regular exchange of information relating to trade and economic cooperation.

4. The Contracting Parties shall take the appropriate steps, according to their means and through their own channels, including those relating to financial resources, to facilitate the attainment of the economic cooperation objectives referred to in paragraph 1.

Article 5

Agricultural cooperation

1. Argentina and the Community shall establish cooperation in agriculture. To this end they shall examine in a spirit of cooperation and good will:

- (a) the opportunities for increasing their trade in agricultural products;
- (b) health, plant health and environmental measures and their effects, to prevent them hindering trade, while taking into account the two Parties' legislation in this field;

2. The Community shall contribute to Argentina's efforts to diversify its exports of agricultural products.

Article 6

Industrial cooperation

The Contracting Parties agree to cooperate in particular to encourage joint ventures, *inter alia* those contributing to diversification of Argentine exports and the assimilation of technology, using to this end:

- (a) the Argentine Government's laws and initiatives on foreign investment and industrial development;
- (b) the opportunities offered by the Community for cooperation between its economic operators and those of the countries of Latin America.

Article 7

Joint Cooperation Committee

1. A Joint Cooperation Committee shall be established, consisting of representatives of the Community and of Argentina. It shall meet once a year, alternately in Brussels and Buenos Aires, on a date fixed by mutual agreement. Extraordinary meetings may be convened by mutual agreement.

The Joint Committee shall see to the proper functioning of this Agreement and shall examine all questions which may arise in implementing it.

2. In particular, the Joint Committee may make recommendations which would contribute to the attainment of the objectives of this Agreement, taking into account the social and economic policies of the Contracting Parties.

It shall analyse trade between the Parties with particular reference to its overall composition, rate of growth, structure and diversification, and to the trade balance and the various forms of trade promotion.

It shall facilitate contacts and exchanges of information to optimize the functioning of this Agreement.

It shall put forward proposals on issues of mutual interest relating to economic cooperation in general and industrial cooperation in particular, and shall examine appropriate measures to develop and diversify them.

3. The Joint Committee may set up specialized subcommittees to assist it in the performance of its duties.

Article 8

Other agreements

1. Without prejudice to the relevant provisions of the Treaties establishing the European Communities, neither this Agreement nor any action taken under it shall in any way affect the powers of the Member States of the Communities to undertake bilateral activities with the Argentine Republic in the field of economic cooperation or where appropriate to conclude new economic cooperation agreements with the Argentine Republic.

2. Subject to the provisions of paragraph 1 concerning economic cooperation, the provisions of this Agreement shall replace the provisions of agreements concluded between the Member States of the Communities and Argentina where such provisions are either incompatible with or identical to the provisions of this Agreement.

Article 9

Territorial application

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Economic Community is applied and under the conditions laid down in that Treaty and, on the other, to the territory of the Argentine Republic.

Article 10

Future developments

1. The Contracting Parties may by mutual consent expand this Agreement in order to enhance the level of cooperation and add to it by means of agreements on specific sectors or activities.
2. Within the framework of this Agreement, either of the Contracting Parties may put forward suggestions for widening the scope of their cooperation, taking into account the experience gained in its application and the progress of the regional integration process in which Argentina is engaged.

Article 11

Duration

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. It shall be renewed on a yearly basis unless one of the Contracting Parties denounces it six months before the date of expiry.

Article 12

The exchange of letters annexed hereto shall form an integral part of this Agreement.

Article 13

Authentic languages

This Agreement is drawn up in duplicate in the Danish, Dutch, English, French, German, Greek, Italian, Portuguese and Spanish languages, each text being equally authentic.

Geschehen zu Brüssel am

Done at Brussels on the

Udfaerdiget i Bruxelles, den

Hecho en Bruselas el

Fait à Bruxelles, le

.....

Fatto a Bruxelles, addi

Gedaan te Brussel,

Feito em Bruxelas,

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Exchange of letters

Mr President,

I have the honour to confirm the following:

With regard to the barriers to trade which may arise for the European Economic Community and its Member States or the Argentine Republic as a result of the operation of shipping, it has been agreed that mutually satisfactory solutions on shipping should be sought with a view to promoting trade development.

To this end, it has likewise been agreed that the issue should be discussed by the Joint Committee.

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

Fiche Financière

Accord de coopération commerciale et économique CE/Argentine

1. Lignes budgétaires concernées

a) lignes dont l'application est conditionnée par l'existence d'un Accord de coopération:

9900 - Actions dans le cadre d'accords de coopération économique et commerciale

9315 - Actions visant la promotion de l'investissement communautaire dans les PVD d'Amérique latine dans le cadre des accords de coopération économique et commerciale

7394 - Coopération internationale - actions de recherche et développement dans le cadre des accords de coopération avec des pays tiers.

b) autres lignes:

9311 - Promotion des relations commerciales des PVD d'Amérique latine

9312 - Actions destinées à favoriser les efforts d'intégration régionale ou subrégionale entre les PVD d'Amérique latine

9313 - Coopération avec des PVD d'Amérique latine dans le domaine énergétique

940 - Dépenses d'organisation de séminaires sur le SPG communautaire

946 - Ecologie dans les PVD

949 - Programme d'actions de coopération Nord-Sud dans le domaine de la lutte contre la drogue.

2. Base légale

Accord de coopération commerciale et économique

3. Classification

DNO

4. Description

4.1 Objectif :

Etablir une coopération dans l'intérêt des deux parties.

4.2. Personnes concernées:

Opérateurs économiques et instances responsables des deux parties.

5. Nature de la dépense

5.1. Nature :

Aide à fonds perdus en faveur de divers projets dans les différents domaines de coopération couverts par l'Accord.

5.2. Calcul :

Dans les prochaines années les lignes dont l'application est conditionnée par l'existence d'un accord de coopération seront, dans le cadre de la procédure budgétaire habituelle, dotées des montants estimés nécessaires pour tenir compte de l'inscription de l'Argentine parmi les bénéficiaires de ces lignes.

Pour les autres lignes, aucune incidence directe mais évolution normale dans le cadre de la procédure budgétaire.

6. Incidence financière de l'action sur les crédits d'intervention

6.1. Echancier des crédits d'engagement et de paiement :

Selon demande et approbation par les services de la Commission des actions à développer

6.2. Part du financement communautaire (en %) dans le coût total de l'action :

à décider au cas par cas; dans certains cas jusqu'à 100%

6.3. Modalités du financement de l'action pendant l'année en cours :

A partir des crédits existants.

7. Observations

Le volume des dépenses dérivées de l'accord de coopération sera déterminé, pour les budgets futurs, selon la procédure habituelle.

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DOCUMENTS

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