II

(Preparatory Acts)

COMMISSION

Proposal for a Council Decision concerning the conclusion of the Framework Agreement for cooperation between the European Economic Community and the United Mexican States

(91/C 91/04)

COM(91) 92 final

(Submitted by the Commission on 21 March 1991)

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 cooperation with the United Mexican States,

HAS DECIDED AS FOLLOWS:

Article 1

The Framework Agreement for cooperation between the European Economic Community and the United Mexican States is hereby approved on behalf of the Community.

The text of the Agreement is annexed to this Decision.

Article 2

The President of the Council shall give the notification provided for in Article 43 of the Agreement (1).

Article 3

The Commission, assisted by representatives of the Member States, shall represent the Community in the Joint Committee set up by Article 39 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.*

(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 cooperation between the European Economic Community and the United Mexican States

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

of the one part,

THE GOVERNMENT OF THE UNITED MEXICAN STATES,

of the other part,

CONSIDERING the traditional links of friendship between the Member States of the European Economic Community and the United Mexican States,

MINDFUL of the common will of the European Economic Community, hereinafter referred to as the 'Community' and the United Mexican States, hereinafter referred to as 'Mexico', to expand and diversify trade between them and to step up cooperation in trade, economic matters, science and technology and financial matters,

CONSIDERING that the main beneficiary of cooperation is man, and that respect of his rights should therefore be promoted,

BELIEVING that the Parties and relations between them have developed beyond the scope of the Cooperation Agreement concluded between them in 1975,

RECOGNIZING the positive consequences of the process of reform and modernization of the economy in Mexico for trade and economic relations between the Parties,

WELCOMING the institutionalization of dialogue between the Rio Group and the Community and its Member States through the Rome Declaration of 20 December 1990,

DECLARING that the basic aim of this Agreement shall be to consolidate, intensify and diversify relations between the Parties, to the benefit of both,

TAKING ACCOUNT of the acknowledged differences in the economic development of the Parties,

DESIROUS of contributing to the development of international economic relations,

CONSCIOUS of the international importance of the consolidation of the European single market in the world context,

RECOGNIZING that the Community and its Member States attach great importance to the furtherance of trade and economic cooperation with developing countries, in the interests of helping to promote and strengthen their economies,

CONVINCED of the importance of the rules and principles of the General Agreement on Tariffs and Trade (GATT) for the purposes of open and continually expanding international trade, and reaffirming their commitments under that Agreement,

CONSIDERING the importance attached by both Parties to the protection of the environment, resolved to redouble their efforts to ensure that this issue is fully integrated into any development policy while taking into account local and global implications,

MINDFUL of the importance of facilitating the involvement in cooperation of the individuals and entities directly concerned, particularly economic operators and the bodies representing them,

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

.....

THE GOVERNMENT OF THE UNITED MEXICAN STATES,

.....

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

Article 1

Both Parties hereby undertake to impart renewed vigour to relations between them. To achieve this essential objective, they resolve to promote in particular the development of cooperation relating to trade, investment, finance and technology, taking account of Mexico's special situation as a developing country.

CHAPTER I

Economic cooperation

Article 2

1. The Contracting Parties, taking into account their mutual interest and long and medium-term economic objectives, undertake to establish economic cooperation of the widest possible scope. The aims of such cooperation shall be in particular:

(a) generally to step up and diversify economic links between them;

(b) to contribute to the sustainable development of their economies and standards of living;

(c) to open up new sources of supply and new markets;

(d) to encourage the flow of investment and technology;

(e) to promote cooperation between economic operators, particularly small and medium-sized enterprises;

(f) to establish conditions conducive to job-creation;

(g) to protect and improve the environment;

(h) to encourage rural development measures;

(i) to boost progress in science and technology.

2. Without excluding beforehand any area, the Contracting Parties shall, in their mutual interest and with regard to their respective capacities, determine by common agreement the spheres to be covered by economic cooperation. Cooperation shall centre particularly on the following:

(a) industry;

(b) intellectual and industrial property, standards and quality standards;

(c) technology transfer;

(d) agro-industry;

(e) fish-farming and fisheries;

(f) energy planning and the efficient use of energy;

(g) environmental protection;

(h) management of natural resources;

(i) services, including financial services, tourism, transport, telecommunications and data processing;

(j) exchange of information on monetary issues.

3. In the interests of attaining the objectives of economic cooperation, the Contracting Parties shall, each in accordance with its laws, endeavour to promote activities including the following:

(a) the stepping-up of contacts between the parties, in particular through the organization of conferences, seminars, trade and industrial missions, 'business weeks', general and sectoral trade fairs and fact-finding missions with a view to increasing the flow of trade and investment;

(b) participation by Community enterprises in fairs and exhibitions in Mexico, and vice versa;

(c) technical assistance, notably involving the provision of experts and the undertaking of specific studies;

(d) the setting up of joint ventures;

(e) cooperation between financial institutions;

(f) the exchange of relevant data, and in particular access to existing or future data banks;

(g) the formation of networks of economic operators, particularly in industry.

Cooperation between finanical institutions

Article 3

In line with their needs and within the bounds of their programmes and laws, the Contracting Parties shall endeavour to encourage cooperation between finanical institutions by means of measures to promote the following:

— exchanges of information and experience in matters of mutual interest. Such cooperation shall take the form, *inter alia*, of seminars, conferences and workshops,

— exchanges of experts,

— the provision of technical assistance,

— exchanges of information relating to statistics and methods.

Article 4

In view of the aims of economic cooperation, the Contracting Parties shall endeavour to promote, so far as the laws of each side allow, the conclusion between the Member States of the Community and Mexico of agreements relating to double taxation, and to encourage the exchange of information on this issue.

Industrial cooperation

Article 5

The Contracting Parties shall promote the expansion and diversification of Mexico's production base in the industrial and service sectors, directing their cooperation activities at small and medium-sized enterprises in particular and encouraging steps to facilitate access on the part of these enterprises to sources of capital, to markets and to appropriate technology, and also fostering joint venture activities directed especially towards trade between the Parties and aimed at third country markets.

To that end, the Parties shall encourage, within the limits of their responsibilities, projects and operations promoting cooperation between entrepreneurs such as: joint ventures, subcontracting, technology transfer, licences, applied research and franchise.

Investment

Article 6

In the interests of achieving the aims of this Agreement, the Contracting Parties agree to promote as far as possible appropriate measures for the development and maintenance of a favourable, predictable and stable climate for investment. The Contracting Parties confirm the need for private investors from each side to play an active role in the development of the other, in the interests of increasing economic interaction. In this connection, each Party undertakes to examine, within the limits of its responsibilities and in accordance with its laws, regulations and policies, the possibility of setting up operations and mechanisms to improve the climate for such investment, in keeping with the guidelines of paragraph 38 of the Rome Declaration on relations between the European Economic Community and the Rio Group. The same should apply to double taxation agreements.

The Contracting Parties shall endeavour to encourage mechanisms and operations for promoting investment with the aim of identifying and helping to take

advantage of new opportunities, and collaborating in arranging promotional events including seminars, exhibitions and business trips, and in enabling economic operators to generate investment projects.

Article 7

Within the limits of their responsibilities, policies and possibilities, the Contracting Parties shall encourage the provision of the financial support and technical assistance necessary to bring about joint investment of interest to both sides, notably between their small and medium-sized enterprises.

Technological development and intellectual property

Article 8

For the purpose of achieving effective collaboration between enterprises in Mexico and enterprises in the Community in the fields of the transfer of technology, the licensing of industrial and other intellectual property, joint investment and capital venture financing, the Parties agree:

— to identify the branches or sectors of industry on which cooperation will centre and the means to promote industrial cooperation with a heavy technological bias,

— to cooperate in encouraging the mobilization of financial resources to support joint projects between enterprises in Mexico and enterprises in the Community the aim of which is to apply new findings in technology to industry,

— to support the training of qualified technological research personnel,

— to promote innovation by means of an exchange of information on the programmes each side is conducting for that purpose, periodic exchanges of experience stemming from the running of innovation programmes and by means of exchange schemes at Mexican and Community institutions for officials of both Parties responsible for promoting innovation.

Article 9

The Contracting Parties undertake to ensure, so far as their laws, regulations and policies allow, that suitable, effective and increased protection is provided for intellectual property rights, including commercial and industrial rights, copyright and marks of origin. They agree furthermore to promote the signing of agreements in these fields and to facilitate as far as possible access to data banks and data bases.

Cooperation concerning standards

Article 10

Without prejudice to their international obligations, within the scope of their responsibilities, and in accordance with their laws, the Contracting Parties shall take steps to reduce differences in respect of weights and measures, standardization and certification by promoting the use of compatible systems of standards and certification. To that end, they shall encourage the following in particular:

— establishing links between experts in order to facilitate exchanges of information and studies on weights and measures, standards, and quality control, promotion and certification,

— encouraging interchange and contact between bodies and institutions specializing in these fields,

— promoting measures aimed at achieving mutual recognition of systems of calibration and quality certification and of equivalence of standards in the areas coverd by regulation,

— promoting the interchange of information and contacts in areas of mutual interest, especially health, environmental and safety requirements, requirements concerning trade information, technical requirements relating to standards and quality certification, and practice connected with intra-Community trade,

— developing technical assistance in connection with weights and measures and the calibration of measurement standards and in connection with quality promotion programmes,

— holding consultations to ensure that standards do not constitute an unnecessary barrier to trade.

CHAPTER II

Trade cooperation

Article 11

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

The Parties reaffirm their will to conduct trade between them in accordance with that Agreement.

Expansion of trade

Article 12

The Contracting Parties declare their common interest in strengthening their trade relations and undertake to promote, within the framework of the current legislation of each of the Parties, the expansion and diversification of trade between them.

To those ends, the Parties undertake to exchange information of as detailed a nature as possible.

Article 13

The Contracting Parties agree to promote the interchange of information and to hold consultations on the issues of tariffs, health and technical requirements, laws and trade practices, and on any anti-dumping or countervailing duties which might apply.

Article 14

Without prejudice to their rights and obligations under the GATT, the Contracting Parties undertake to consult each other on any disputes which may arise in connection with trade.

If one of the Parties requests such consultation, it shall take place at the earliest opportunity. The Contracting Party making the request shall provide the other Party with all the information necessary for a detailed examination of the situation.

Attempts shall be made through such consultations to resolve trade disputes as rapidly as possible.

Article 15

In trade between the Contracting Parties, should allegations arise of dumping or subsidy leading to investigation by the competent authorities, each Contracting Party undertakes to examine requests made by the other party in connection with the case in question.

The competent authorities of the Contracting Parties shall inform the interested parties at their request of the essential facts and considerations which will serve as the basis for a solution. Such information shall be provided before the definitive conclusions of the investigation are reached, and in sufficient time for the parties involved to defend their interests.

Before definitive anti-dumping and countervailing duties are imposed, the Contracting Parties shall do their utmost to bring about a constructive solution to the problem.

Article 16

The Contracting Parties agree to promote contacts and cooperation between their economic operators and institutions, with the aim of giving rise to concrete economic cooperation projects which can contribute to the development and diversification of their trade.

Both Parties recognize the important role played by business organizations such as the Mexico-European Community Business Council in making proposals for the diversification and intensification of bilateral relations, and they reaffirm their interest in supporting the work of such organizations.

Article 17

1. In the interests of bringing about more active cooperation in trade, the Contracting Parties undertake to take steps including the following:

— promoting meetings, interchange and contacts between entrepreneurs of each of the Parties, with the aim of identifying goods suitable for sale on the market of the other Party,

— facilitating cooperation between their customs services, in particular as regards vocational training, the simplification of procedures and detecting violations of customs regulations,

— encouraging and providing support for trade promotion activities such as seminars, symposia, fairs and trade and industrial exhibitions, trade visits, reciprocal visits and business weeks,

— providing support for their own organizations and firms, to enable them to engage in activities which are of benefit to both sides.

2. Where the competent authorities of both Parties so decide, the Community may provide financing for some of the trade promotion activities referred to in this Article, including market research for goods which are of interest to Mexico.

Temporary importation of goods

Article 18

The Contracting Parties undertake to consider tax and duty exemption for temporary import into their territory of goods which are covered by international agreements concerning this matter.

CHAPTER III

Cooperation in science and technology

Article 19

In accordance with their mutual interest and the aims of their policies on science, the Contracting Parties undertake to promote cooperation in science and technology aimed in particular at encouraging exchanges of scientists between Mexico and the Member States of the Community in the interests of establishing permanent links between the two scientific communities, increasing research capacity, stimulating technological innovation, promoting the transfer of technology and encouraging association between research centres.

Article 20

In order to further cooperation in science and technology, the Parties agree to select jointly the areas which are of interest to both sides, and they shall pay particular attention to subjects including the following: improvement of the quality of life of the population, the environment and protection of natural resources, the applications of biotechnology in medicine and agriculture and new materials.

Article 21

With the aim of attaining the aims set, the Contracting Parties shall promote and stimulate activities including the following: training of high-calibre staff, joint research projects and the interchange of scientific information through seminars, workshops, congresses and working meetings between the scientific communities of both Parties. Such activities may be conducted among institutions, bodies and undertakings in the public or private sectors.

Article 22

Cooperation on high-technology projects, shall specify, *inter alia*, the form and means of each operation, its aims and scientific and technological content and provisions concerning the mobility of technical staff and participation of representatives of both Parties.

The Contracting Parties undertake to set out suitable procedures to ensure the widest possible participation of their scientists and research centres in cooperation between the Parties.

CHAPTER IV

OTHER FIELDS OF COOPERATION

Agriculture and rural sector

Article 23

The Contracting Parties shall establish cooperation in the areas of agriculture, forestry and agro-industry.

1. To these ends, in a spirit of cooperation and goodwill and taking into account the laws of both Parties on such issues, the Contracting Parties shall examine:

   (a) opportunities for developing trade in agricultural, forestry and agro-industrial products;

   (b) health, plant health and environmental measures, and their consequences, ensuring that they do not hamper trade.

2. The Contracting Parties shall furthermore endeavour to promote cooperation concerning:

   (a) the development of Mexican agriculture in general;

   (b) the protection and development of forestry resources, particularly in relation to tropical forests;

   (c) the agricultural and rural environments;

   (d) training in science and agricultural technology;

   (e) agricultural research;

   (f) contact between the Parties' agricultural producers, in the interests of facilitating trade operations and investment;

   (g) agricultural statistics.

Fisheries

Article 24

The Contracting Parties recognize the importance of bringing about a 'rapprochement' between their respective interests as regards fisheries, and they will as a result seek to strengthen and develop cooperation concerning fisheries by formulating and undertaking specific programmes addressing the economic, trade-related, scientific and technical aspects of that field. They shall also encourage the joint involvement of the Community and Mexican private sectors in the development of fisheries.

The launching of specific cooperation programmes under this Agreement shall not exclude the possibility of agreeing other mechanisms relating to fisheries.

Mining

Article 25

The Contracting Parties agree to promote cooperation in mining, chiefly through the implementation of operations aimed at the following:

— promoting the involvement of enterprises of the Member States of the Community in exploration, exploitation and profitable use of minerals in Mexico, in accordance with that country's laws in the field concerned,

— undertaking activities to encourage small and medium-sized mining enterprises,

— carrying out an interchange of experience and technology relating to mining exploration and exploitation, and performing joint research to increase the opportunities for technological development.

Information technology and telecommunications

Article 26

The Contracting Parties recognize that information technology and telecommunications constitute a key element of modern society, and that they are vital to its economic and social development.

They declare themselves prepared to promote cooperation in fields of common interest, chiefly in respect of the following:

— standardization, testing and certification relating to information technology and telecommunications,

— earth and space-based telecommunications such as transport networks, satellites, fibre optics, ISDN, data transmission, telephone systems for rural areas and mobile telephone systems,

— electronics and microelectronics,

— information and automation,

— high-definition television,

— research and development in new information technologies and telecommunications.

Such cooperation shall take place in particular through:

— collaboration between experts,

— expert services, studies and interchange of information,

— training of scientists and technicians,

— formulation and implementation of projects of mutual benefit,

— promotion of investment and joint investment,

— promotion of joint projects relating to research and development, the establishment of information networks and data banks linking universities, research centres, testing laboratories, enterprises and operators in the public and private sectors in Mexico and the Community.

The Parties agree to step up the development of cooperation on space research and development, Mexico's new generation of satellites and experimental low-orbit satellites.

The Parties shall set up specific mechanisms for implementing cooperation in this field.

Investment promotion shall be the subject of special efforts involving information and consultation.

Transport

Article 27

1. Recognizing the importance of transport to economic development and the intensification of trade, the Contracting Parties shall adopt the necessary measures to further cooperation in this field.

2. Cooperation in the area of air, road and rail transport and infrastructure shall centre on the following:

(a) the interchange of information on the Parties' policies and subjects of common interest;

(b) economic, legal and technical training programmes aimed at economic operators and those in charge of public-sector departments;

(c) technical assistance, particularly in connection with programmes for the modernization of infrastructure, replacement of rolling stock, vehicles and craft, and the introduction of technology relating to combined and multi-mode transport.

Public health

Article 28

The Contracting Parties agree to cooperate in the field of public health, with the aim of raising the standard of living and quality of life, particularly in the sectors which are most disadvantaged. In the interests of attaining these aims, the Parties undertake to conduct joint research, transfers of technology, and interchanges of experience and technical assistance, notably including measures relating to the following:

— the management and administration of the departments with responsibility for this field,

— the organization of scientific meetings and exchanges of specialists,

— the undertaking of programmes of vocational training,

— programmes and projects for the improvement of health and social welfare in urban and rural areas.

Drug abuse control

Article 29

1. The Contracting Parties undertake to coordinate and step up their efforts to prevent and reduce the production, trafficking and consumption of drugs.

2. Such cooperation shall include the following:

— projects for training, education, health-promotion and rehabilitation of addicts, including projects for the reintegration of addicts into work and social environments,

— research programmes and projects,

— measures to encourage alternative economic opportunities,

— the interchange of all relevant information, including that relating to money laundering.

3. Financing for the operations referred to may be contributed by public and private institutions and national, regional or international organizations, in consultation with the Mexican government and the appropriate Community and Member State bodies.

Energy

Article 30

The Contracting Parties recognize the importance of the energy sector to economic and social development, and are prepared to step up cooperation relating to the saving and efficient use of energy. Such cooperation shall include the assessment of the usable energy potential of alternative resources and the application of technology for the saving of energy to industrial processes.

To these ends, the Parties agree to promote:

— the conduct of joint studies and research,

— contacts between those responsible for energy planning,

— the execution of joint programmes and projects in this field.

The environment

Article 31

1. The Contracting Parties undertake to establish cooperation relating to the protection and improvement of the environment in respect of the problems caused by the contamination of water, soil and air, erosion, desertification, deforestation and over-exploitation of natural resources and the growth of towns, and relating to the productive conservation of forest and aquatic flora and fauna.

2. To these ends, the Contracting Parties shall endeavour to cooperate on environmental measures which seek in particular:

(a) to establish and strengthen public and private environmental structures;

(b) to introduce laws, standards and models;

(c) to conduct research, training, information and public awareness measures;

(d) to execute studies and projects and supply technical assistance;

(e) to organize meetings, seminars, workshops, conferences and visits by officials, experts, technical personnel, entrepreneurs and others active in the field of the environment;

(f) the interchange of information and experience on major environmental issues of global importance;

(g) to conduct joint study and research programmes and projects relating to disasters and disaster prevention.

3. The Parties agree to cooperate on all issues relating to water, including meteorology and climatology, and on research and development of water resource technologies, management, use and conservation.

Tourism

Article 32

The Contracting Parties shall promote, in accordance with their laws, cooperation on tourism, which is to be achieved through specific measures including:

— exchanges of officials and experts dealing with tourism, the interchange of information and statistics relating to this field and the transfer of technology,

— the development of activities to stimulate tourist traffic,

— the advancement of training schemes intended in particular to support hotel operation and management,

— joint participation in fairs and exhibitions aimed at increasing tourist flows.

Social matters and development planning

Article 33

1. The Community agrees to support measures to develop cooperation on social and economic planning, with particular reference to the interchange of information and know-how relating to methods and the preparation and execution of special programmes in this field. Such cooperation shall be achieved chiefly by means of:

(a) interchanges of information;

(b) reciprocal visits and exchanges of experts;

(c) the organization of seminars, symposia and conferences;

(d) the provision of technical assistance for administering social services;

(e) activities on the part of non-governmental organizations to supplement official action in this field.

2. The Contracting Parties agree to discuss in detail programmes and projects concerning social development and aimed at meeting the essential needs of the most deprived sections of the population. Such cooperation shall include in particular measures to combat extreme poverty and to create new sources of employment.

Government

Article 34

The Contracting Parties shall cooperate in matters relating to government and institutions at national, regional and local levels.

To these ends, the Contracting Parties undertake:

— to promote meetings, visits, exchanges of information and technical personnel, seminars and training courses for civil servants and staff of national, state and local government departments,

— to exchange information on programmes aimed at improving the efficiency of such sections of government service.

Information, communication and culture

Article 35

The Contracting Parties undertake to act jointly in the fields of information and communication in order to further the cultural links which already exist between the Parties.

These measures shall take the form, in particular, of:

— interchange of information on issues of common interest concerning culture and information,

— preparatory studies and technical assistance for the preservation of the cultural heritage,

— organization of cultural events,

— cultural exchanges,

— academic exchanges,

— translation of literary works.

Training

Article 36

The Contracting Parties shall establish specific training programmes in areas of common interest. Cooperation on training shall take into account the contribution of new technologies in the field.

The Contracting Parties agree to take the necessary steps to promote the training of technical and executive staff, giving priority to measures with a considerable multiplier effect aimed at training and technical staff already occupying positions of responsibility in public- and private-sector undertakings, government departments, public service and economic organizations. Such cooperation shall take place through specific programmes for exchanges of experts, know-how and techniques between Mexican and European training institutions, particularly in the technical, scientific and technical training fields.

Regional cooperation

Article 37

The Contracting Parties shall promote measures aimed at furthering cooperation with other countries within the framework of the agreements to which they are party. Particular priority shall be given to measures seeking to:

— develop trade within the region,

— promote cooperation on the environment at regional level,

— strengthen regional institutions and help to set in train common policies and activities,

— encourage the development of regional communications.

Resources for undertaking cooperation

Article 38

In order to facilitate the achievement of the cooperation aims provided for in this Agreement, the Contracting Parties shall apply the appropriate financial and other resources in accordance with their means and respective mechanisms.

CHAPTER V

Joint Committee

Article 39

1. The Contracting Parties shall establish under this Agreement a Joint Committee consisting of representatives of the Community, on the one hand, and representatives of Mexico, on the other.

2. The Joint Committee shall:

(a) see to the proper functioning of the Agreement;

(b) agree on and coordinate activities, projects and specific operations in relation to the aims of this Agreement and propose means of implementing them;

(c) study the development of trade and cooperation between the Parties;

(d) make any recommendations required to promote the expansion of trade and intensify and diversify cooperation;

(e) seek appropriate methods of forestalling problems which might arise in areas covered by the Agreement;

(f) encourage and follow up the activities of the Business Council and other bodies which can contribute to the expansion of relations between the Parties.

3. The Joint Committee may set up specialized subcommittees and working parties to assist it in the performance of its duties. These subcommittees and working parties shall make detailed reports on their activities to the Joint Committee at each of its meetings.

4. The Joint Committee shall meet at least once a year, in Mexico City and Brussels alternately. Special meetings may be convened by mutual agreement, at the request of either Contracting Party. The office of chairman of the Joint Committee shall be held alternately by each of the Contracting Parties.

5. The agenda for meetings of the Joint Committee shall be determined by agreement between the Parties.

CHAPTER VI

FINAL PROVISIONS

Other arrangements

Article 40

1. Without prejudice to the 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 Mexico in the field of economic cooperation or where appropriate to conclude new economic cooperation agreements with Mexico.

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

Territorial application

Article 41

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

Annexes

Article 42

The Annexes shall form an integral part of this Agreement.

Entry into force and tacit renewal

Article 43

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. It is concluded for a period of five years. It shall be renewed tacitly on a yearly basis unless one of the Contracting Parties denounces it to the other Party in writing six months before the date of expiry.

Authentic texts

Article 44

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.

Future developments

Article 45

1. The Contracting Parties may by mutual consent expand this Agreement with a view to enhancing the levels of cooperation and supplementing them by means of agreements on specific sectors or activities.

2. With regard to the implementation of this Agreement, either of the Contracting Parties may put forward suggestions for widening the scope of cooperation, taking into account the experience gained in its application.

ANNEX I

UNILATERAL DECLARATION BY THE COMMUNITY ON OUTWARD PROCESSING ARRANGEMENTS

With administrators and potential users in Mexico in mind, the Community will take steps to provide information on how to take the maximum advantage of the opportunities offered by Community rules on outward processing, which consists of the export of goods from the Community with a view to subsequent re-import into the Community from Mexico after processing, working or repair.

ANNEX II

DECLARATION BY THE COMMUNITY ON THE GSP

The European Economic Community confirms the importance of the Generalized System of Preferences — implemented by it in accordance with Resolution No 21 (II) of the Second United Nations Conference on Trade and Development — for the developing countries' trade.

With a view to enabling Mexico to make the best and fullest possible use of the European Economic Community's preference scheme, the Community hereby declares its willingness to examine suggestions from Mexico for identifying ways of enabling that country to derive maximum benefit from the opportunities offered by the scheme in question.

The Community will conduct training seminars on the use of the Generalized System of Preferences for administrators and users in Mexico, with a view to enabling them to derive the greatest possible advantage from the System.

ANNEX III

EXCHANGE OF LETTERS ON MARITIME TRANSPORT

Sir,

I have the honour to confirm the following:

When the Agreement on cooperation between the European Economic Community and Mexico was signed, the Parties undertook to address in the appropriate manner issues relating to the operation of shipping, particularly where the development of trade might be hindered. Mutually satisfactory solutions on shipping will be sought, while the principle of free and fair competition on a commercial basis is observed.

It has likewise been agreed that such issues should also be discussed by the Joint Committee.

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