COMMISSION OF THE EUROPEAN COMMUNITIES

COM(92)239 final

Brussels, 5 June 1992

Proposal for a

COUNCIL DECISION

concerning the conclusion of a trade and cooperation agreement between the European Economic Community and Macao

(presented by the Commission)

NOT FOR PUBLICATION

EXPLANATORY MEMORANDUM

1. On 28 April 1992 the Council authorized the Commission to open negotiations with Macao with a view to concluding a trade and cooperation agreement between the EEC and Macao, and adopted detailed directives to that end.

2. The Commission and Macao negotiated and initialled the text of the Agreement on 12 May 1992.

3. The Commission considers the text initialled to be fully in line with the negotiating directives drawn up by the Council.

4. Because the legal basis for the Agreement includes Article 235 of the Treaty in addition to Article 113, Parliament must be consulted.

5. With a view to the signature and conclusion of the trade and cooperation agreement between the Community and Macao, the Commission proposes that the Council adopt the attached Decision.

Proposal for a

COUNCIL DECISION

concerning the conclusion of a trade and cooperation agreement between the European Economic Community and Macao

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,[1]

Whereas the Agreement for trade and cooperation between the European Economic Community and Macao should be approved,

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement for trade and cooperation between the European Economic Community and Macao 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 19 of the Agreement.[2]

Article 3

The Commission, assisted by representatives of the Member States, shall represent the Community in the Joint Committee set up by Article 16 of the Agreement.

Article 4

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

Done at .....,

For the Council
The President

2 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.

AGREEMENT

for trade and cooperation
between the European Economic Community
and Macao

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

and

THE GOVERNMENT OF MACAO,

CONSIDERING that the European Economic Community, hereinafter referred to as the "Community" and Macao wish to develop, extend and deepen economic and trade relations between them,

CONSIDERING that it would be timely to reinforce existing links between the parties by means of cooperation between Macao and the Community in matters of mutual interest,

REAFFIRMING the importance they attach to democratic values and to respecting human rights,

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

DESIROUS of stepping up and diversifying trade and actively developing cooperation in an evolutionary and pragmatic manner,

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,

HAVE AGREED AS FOLLOWS:

Article 1

BASIS FOR COOPERATION

The two parties undertake to strengthen their relations and resolve to promote cooperation between them, taking account of Macao's special situation and of its level of development.

Cooperation between the Community and Macao and the implementation of this Agreement are based on respect for the democratic principles and human rights which inspire the policies of both the Community and Macao.

CHAPTER I

TRADE COOPERATION

Article 2

1. The Contracting Parties reaffirm their reciprocal commitments under the terms of the General Agreement on Tariffs and Trade, and shall accord each other most-favoured-nation treatment in all trade matters regarding:

   (a) customs duties and charges of any kind imposed on or in connection with imports , exports, re-exports or transit of goods, including the method of levying such duties and charges;

   (b) methods of payment and the transfer of such payments;

(c) rules and regulations, procedures and formalities connected with imports and exports, including provisions relating to customs clearance, transit, warehousing and transshipment of imports or exports;

(d) administrative formalities relating to import and export licences;

(e) taxes and other internal charges levied directly or indirectly on imported or exported goods and services;

(f) laws, rules and regulations and requirements relating to the sale, offering for sale, purchase, transportation, distribution and use of goods on the domestic market.

2. In accordance with the General Agreement on Tariffs and Trade, this treatment shall not apply to:

(a) advantages accorded by one of the two Contracting Parties with the aim of creating a customs union or a free-trade area or pursuant to the creation of such a union or area;

(b) other advantages accorded under the GATT.

Article 3

The Contracting Parties undertake to promote trade between them to the greatest possible degree, taking into account their respective economic situations and granting each other the widest possible opportunities.

CHAPTER II

OTHER FIELDS OF COOPERATION

Article 4

With the particular aims of bringing about the development of their economies and standards of living, diversifying their links with each other, encouraging scientific and technological progress, opening up new sources of supply and new markets, promoting investment, protecting the environment and improving living conditions, the Contracting Parties agree to develop cooperation, within the bounds of their respective powers and on the basis of mutual interest, in all areas in which they have responsibility for policy, notably the following:

- industry;
- trade;
- science and technology;
- energy;
- transport;
- telecommunications;
- data processing;
- intellectual and industrial property, standards and specifications;
- protection of the environment;
- social development;
- tourism;
- financial services;
- fisheries;
- customs matters;
- statistics.

Article 5

INDUSTRY

The Contracting Parties shall encourage the use of the various forms of industrial and technical cooperation to benefit their firms and entities, within the bounds of the needs and capabilities of the Parties.

With the aims of the Agreement in mind, the Contracting Parties shall endeavour to facilitate and promote the following, inter alia:

- the establishment of joint ventures;
- the transfer of technology;
- cooperation between financial institutions;
- steps such as visits, contacts and activities to promote cooperation between persons and delegations representing firms or economic organizations;
- the organization of seminars and symposia.

Article 6

The Contracting Parties shall promote the development and diversification of Macao's production base in industry and services, in particular by targeting cooperation activities at small and medium-sized enterprises and by encouraging steps to facilitate access on the part of such enterprises to sources of capital, markets and appropriate technology. Such measures could include the joint establishment of suitable mechanisms and institutions.

Article 7

INVESTMENT

The Contracting Parties agree:

(a) to promote an increase in mutually beneficial investment, within the limits of their responsibilities, rules and policies,

(b) to improve the climate for investment on both sides, notably by means of agreements between the Community Member States and Macao for the protection and promotion of investment, on a basis of non-discrimination and reciprocity.

Article 8

SCIENCE AND TECHNOLOGY

Taking into account their mutual interest and the objectives of their development strategies, the Contracting Parties shall undertake to promote cooperation in science and technology in such a manner as to improve Macao's potential for development.

Article 9

INFORMATION, COMMUNICATION AND CULTURE

The Contracting Parties shall establish cooperation in information and communication, taking account of the cultural dimension of relations between them. Such cooperation could include conservation of objects of historic and cultural interest.

Article 10

TRAINING

1. Cooperation under this Agreement shall include appropriate provision for training. The Contracting Parties shall furthermore implement individual training programmes in areas of mutual interest.

2. The measures concerned shall be targeted first and foremost at teachers, trainers and executive personnel in positions of responsibility in firms, government, public services and other educational, economic and social entities. They could include promotion of cooperation agreements between institutions of higher education and training in Europe and in Macao, notably with regard to science, technology and vocational training.

Article 11

THE ENVIRONMENT

The Contracting Parties shall undertake to cooperate on environmental protection, particularly with regard to legislation and standards, research, training, technical assistance, the implementation of environmental improvement projects and the organization of seminars and meetings in this field.

Article 12

SOCIAL DEVELOPMENT

1. The Contracting Parties shall establish cooperation in the field of social development in Macao in order to improve the standard of living and quality of life of the most disadvantaged sections of the population.

2. Measures to attain this aim could include technical assistance concentrating on vocational training, the administration and improvement of social services, job creation, improvement of housing and preventive medicine.

Article 13

DRUGS

Within the bounds of their respective powers, the Contracting Parties undertake to coordinate and intensify their efforts to inhibit and reduce the production, trafficking and consumption of drugs. They shall exchange relevant information in this regard.

Article 14

TOURISM

Within the bounds of their legislation, the Contracting Parties shall encourage cooperation in Macao's tourist industry through targeted action, notably the development of promotion, an interchange of information and statistics, exchanges of experts and training focused on a transfer of technology and improved administration in the industry.

Article 15

RESOURCES FOR UNDERTAKING COOPERATION

In order to facilitate the achievement of the aims set out in this Agreement, the Contracting Parties shall make available, within the limits of their abilities and through their own channels, the appropriate resources, including financial resources.

CHAPTER III

JOINT COMMITTEE

Article 16

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 Macao, on the other.

The role of the Joint Committee shall be to promote cooperation as proposed by the Contracting Parties, and in particular:

- to oversee and verify the functioning of the Agreement,

- to study the development of trade and cooperation;

- to seek appropriate methods of forestalling problems which might arise in areas covered by the Agreement,

- to propose measures suitable for the development and diversification of trade and cooperation;

- to exchange opinions and make suggestions on any issue of common interest within the fields covered by this Agreement.

2. The Joint Committee shall meet at least once a year, in Brussels and Macao alternately. Special meetings may be convened by mutual agreement, at the request of either Contracting Party.

3. The Joint Committee shall adopt its own rules of procedure and programme of work. The agenda for meetings of the Joint Committee shall be determined by agreement between the Parties.

CHAPTER IV

FINAL PROVISIONS

Article 17

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 Macao in the field of economic cooperation or where appropriate to conclude new economic cooperation agreements with Macao.

Article 18

TERRITORIAL APPLICATION

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 Macao.

Article 19

ENTRY INTO FORCE AND TACIT RENEWAL

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 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.

Article 20

AUTHENTIC TEXTS

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

Article 21

FUTURE DEVELOPMENTS

1. The Contracting Parties may by mutual consent expand this Agreement with a view to enhancing the levels of cooperation and supplementing them, within the bounds of their respective laws, 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 and strengthening cooperation, taking into account the experience gained in its application.

* * *

Financial Statement

1. Title of operation

Agreement for trade and cooperation between the European Economic Community and Macao.

2. Budget headings involved

(a) budget headings whose application is conditional on the existence of a cooperation agreement:

B7-5020 - Operations under commercial and economic cooperation agreements with third countries

B8-7520 - expenditure on support operations

B7-3005 - Operations to promote Community investment in Asian developing countries in the context of economic and trade agreements

B6-8200 - International cooperation - research and development operations under cooperation agreements with third countries

(b) other budget headings:

B7-3000 - Financial and technical cooperation with Asian developing countries

B8-7300 - expenditure on support operations

B7-3001 - Promotion of trade relations with Asian developing countries

B8-7301 - expenditure on support operations

B7-3003 - Cooperation with Asian developing countries on energy

B7-3004 - Training operations for nationals of Asian developing countries

B8-7304 - expenditure on support operations

B7-5030 - Expenditure on the organization of seminars on the Community's generalized system of preferences

B7-5040 - Ecology in the developing countries

3. Legal basis

Current legal basis

4. Description of operation

4.1 Aim:

To establish cooperation in the interests of both parties.

4.2 Duration:

The period for which the Agreement is valid (five years, renewable annually).

4.3 Parties involved:

The economic agents and authorities of both parties.

5. Classification of expenditure or revenue

Non-compulsory

6. Type of expenditure

6.1 Type:

Grants to various projects in the different fields of cooperation covered by the Agreement.

6.2 Community financial contribution as a proportion (%) of the total cost of the operation:

To be decided on an individual basis, 100% in certain instances.

7. Financial impact on appropriations for operations

7.1 Method of financing the action during the current year:

From current appropriations.

7.2 Schedule of commitment and payment appropriations:

On request, following approval of the project by the Commission departments and up to an amount not exceeding the appropriations to be entered under the relevant budget headings.

8. What anti-fraud measures are planned in the proposal for the operation?

The authorities of Macao and the Commission will apply the usual forms of verification.

9. Observations

For future budgets expenditure arising in connection with the cooperation agreement will be determined in accordance with the usual procedure.

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DOCUMENTS

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