

Cooperation Agreement between Member Countries of ASEAN and European Community

Kuala Lumpur, 7 March 1980

CONSCIOUS that such cooperation will be between equal partners but will take into account the level of development of the member countries of ASEAN and the emergence of ASEAN as a viable and cohesive grouping, which has contributed to the stability and peace in Southeast Asia;

PERSUADED that such cooperation should be realised in an evolutionary and pragmatic fashion as their policies develop;

AFFIRMING their common will to contribute to a new phase of international economic cooperation and to facilitate the development of their respective human and material resources on the basis of freedom, equality and justice;

HAVE DECIDED to conclude a Cooperation Agreement and to this end have designated as their plenipotentiaries;

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

HAVE AGREED AS FOLLOWS:

Article 1. Most-Favoured-Nation Treatment

The Parties shall, in their commercial relations, accord each other most-favoured-nation treatment in accordance with the provisions of the General Agreement on Tariffs and Trade, without prejudice, however, to the provision of the Protocol annexed to this Agreement.

Article 2. Commercial Cooperation

1. The Parties undertake to promote the development and diversification of their reciprocal commercial exchanges to the highest possible level taking into account their respective economic situations.

2. The Parties agree to study ways and means of overcoming trade barriers, and in particular existing non-tariff and quasi-tariff barriers, taking into account the work of international organisations;

3. The Parties shall in accordance with their legislation and in the conduct of their policies:

(a) cooperate at the international level and between themselves in the solution of commercial problems of common interest including trade related to commodities;

(b) use their best endeavours to grant each other the widest facilities for commercial transactions;

(c) take fully into account their respective interests and needs for improved access for manufactured, semi-manufactured and primary products as well as the further processing of resources;

(d) bring together economic operators in the two regions with the aim of creating new trade patterns;

(e) study and recommend trade promotion measures likely to encourage the expansion of imports and exports;

(f) seek insofar as possible the other Parties - views where measures are being considered which could have an adverse effect on trade between the two regions.

Article 3. Economic Cooperation

1. The Parties, in the light of the complementarity of their interests and of their long-term economic capabilities, shall bring

about economic cooperation in all fields deemed suitable by the Parties. Among the objectives of such cooperation shall be:

- the encouragement of close, economic links through mutually beneficial investment;
- the encouragement of technological and scientific progress;
- the opening up of new sources of supply and new markets.
- the creation of new employment opportunities.

2. As means to such ends, the Parties shall, a, appropriate, encourage and facilitate inter alia:

- a continuous exchange of information relevant to economic cooperation as well as, the development of contacts and promotion activities between firms and organisations in both regions;
- the fostering, between respective firms, of industrial and technological cooperation, including mining;
- cooperation in the fields of science and technology, energy, environment, transport and communications, agriculture, fisheries and forestry.

In addition the Parties undertake to improve the existing favourable investment climate inter alia through encouraging the extension, by and to all Member States of the Community and by and to all member countries of ASEAN, of investment promotion and protection arrangements which endeavour to apply the principle of non-discrimination, aim to ensure fair and equitable treatment and reflect the principle of reciprocity.

3. Without prejudice to the relevant provisions of the Treaties establishing the Communities, this Agreement and any action taken thereunder shall in no way affect the powers of any of the Member States of the Communities to undertake bilateral activities with any of the member countries of ASEAN in the field of economic cooperation and conclude, where appropriate, new economic cooperation agreements with these countries.

Article 4. Development Cooperation

1. The Community recognises that ASEAN is a developing region and will expand its cooperation with ASEAN in order to contribute to ASEAN's efforts in enhancing its self-reliance and economic resilience and social well-being of its peoples through projects to accelerate the development of the ASEAN countries and of the region as a whole.
2. The Community will take all possible measures to intensify its support, within the framework of its programmes in favour of non associated developing countries, for ASEAN development and regional cooperation.
3. The Community will cooperate with ASEAN to realise concrete projects and programmes, inter alia, food production and supplies, development of the rural sector, education and training facilities and others of a wider character to promote ASEAN regional economic development and cooperation.
4. The Community will seek a coordination of the development cooperation activities of the Community and its Member States in the ASEAN region especially in relation to ASEAN regional projects.
5. The Parties shall encourage and facilitate the Promotion of cooperation between sources of finance in the two regions.

Article 5. Joint Cooperation Committee

1. A joint Cooperation Committee shall be set up to Promote and keep under reviews the various cooperation activities envisaged between the Parties in the framework of the Agreement. Consultations shall be held in the Committee at an appropriate level in order to facilitate the implementation and to further the general aims of this Agreements. The Committee will normally meet at least once a year. Special meetings of the Committee shall be held at the request of either Party.
2. The Joint Cooperation Committee shall adopt its own Rules of Procedure and programme of work.

Article 6. Other Agreements

Subject to the provisions concerning economic cooperation in article 3(3), the provisions of this Agreement shall be substituted for provisions of Agreements concluded between Member States of the Communities and Indonesia, Malaysia, Philippines, Singapore and Thailand to the extent to which the latter provisions are either incompatible with or identical to the former.

Article 7. 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 hand, to the territories of Indonesia, Malaysia, Philippines, Singapore and Thailand.

Article 8. Duration

1. This Agreement shall enter into force on the first day of the month following the date on which the Parties have notified each other of the completion of the procedures necessary for this purpose, and shall remain in force for an initial period of five years and thereafter for periods of five years subject to the right of either Party to terminate it by written notice given six months before the date of expiry of any period.

2. This Agreement may be amended by mutual consent of the Parties in order to take into account new situations.

Article 9. Authentic Languages

This Agreement is drawn up in seven originals in the English, Danish, Dutch, French, German and Italian languages, each of these texts being equally authentic.

IN WITNESS WHEREOF the undersigned Plenipotentiaries have signed this Agreement.

DONE at Kuala Lumpur on the seventh day of March in the year one thousand nine hundred and eighty.

1. According to the provisions of the protocol the European Economic Community and a party that is not a contracting party of the General Agreement on tariffs and trade shall, with regard to imported or exported goods, grant each other most-favoured nation treatment in all matters relating to:

- customs duties and charges of all kinds including the procedures for collecting such duties and charges;
- regulations concerning customs clearance, transit, warehousing or transshipment;
- direct or indirect taxes and other internal charges;
- regulations concerning payments including the allocation of foreign currency and the transfer of such payments;
- regulations affecting the sale, purchase, transport, distribution and use of goods on the internal market.

2. Paragraph 1 shall not apply to:

- (a) advantages granted to neighbouring countries to facilitate frontier traffic;
- (b) advantages granted with the object of establishing a customs union or a free trade area or as required by such a customs union or free trade area;
- (c) advantages granted to particular countries in conformity with the General Agreement on Tariffs and Trade;
- (d) advantages which the member countries of the Association of the Southeast Asian Nations grant to certain countries in accordance with the Protocol on Trade Negotiations among Developing Countries in the context of the General Agreement on Tariffs and Trade;
- (e) advantages granted or to be granted within the framework of ASEAN provided these do not exceed those that are granted or may be granted within the framework of ASEAN by member countries of ASEAN which are contracting parties of the General Agreement on Tariffs and Trade.