AGREEMENT FOR TRADE AND CO-OPERATION BETWEEN THE EUROPEAN ECONOMIC COMMUNITY AND MACAO

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Of the one part

And

THE GOVERNMENT OF MACAO,

Of the other part

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 co-operation 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 diversity 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 CO-OPERATION

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.

Co-operation 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.

Article 2.

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

1. 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:

2. methods of payment and the transfer of such payments:

3. rules and regulations, procedures and the formalities connected with imports and exports, including provisions relating the customs clearance, transit, warehousing and transshipment of imports or exports:

4. administrative formalities relating to import and export licences:

5. taxes and other internal charges levied directly or indirectly on imported or exported goods and services:

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

In accordance with the GATT, this treatment shall not apply to:

1. 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:

2. 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.

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 condition, the Contracting parties agree to develop co-operation, 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. INDUSTRIAL CO-OPERATION

The Contracting parties shall encourage the use of the various forms of industrial and technical co-operation 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;

- Co-operation between financial institutions;

- Measures such as visits, contacts and activities to promote co-operation 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 co-operation 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

1. The Contracting Parties agree:

1. to promote an increase in mutually beneficial investment, within the limits of their responsibilities, rules and policies.

2. 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. Co-operation In Science and Technology

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

Article 9. Co-operation In the Field of Information Communication and Culture

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

Article 10. Training

1. Co-operation under this Agreement shall include appropriate provision for training. The Contraction 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 co-operation agreements between institutions of higher education and training in /Europe and in Macao, notably with regard to science, technology and vocational training.

Article 11. Co-operation In the Field of the Environment

The Contracting Parties shall undertake to co-operate in the field of 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 meeting in this field.

Article 12. Co-operation In the Field of Social Development

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

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

Article 13. Co-operation In the Fight Against Drugs

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

Article 14. Co-operation In the Field of 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 exchange 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 Co-operation

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.

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 co-operation as proposed by the Contracting Parties, and in particular:

- To oversee and verify the functioning of this Agreement.

- To study the development of trade and co-operation.

- To propose measures of forestalling problems which might arise in areas covered by the Agreement.

- To propose measures suitable for the development and diversification of trade and co-operation.

- 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.

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 co-operation or where appropriate to conclude new economic co-operation 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 hand, to the territory of Macao.

Article 19. Entry Into Force and 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 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 be mutual consent expand this Agreement with a view to enhancing the levels of co-operation 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 or the Contracting parties may put forward suggestions for widening and strengthening mutual co-operation, taking into account the experience gained in its application.