



## THE EUROPEAN COMMUNITY AND PEOPLE'S REPUBLIC OF CHINA

71/83

### CONTENTS

	<u>Page</u>
INTRODUCTION	1
BACKGROUND	1
THE AGREEMENT BETWEEN THE PEOPLE'S REPUBLIC OF CHINA AND THE EUROPEAN COMMUNITY	2
IMPLEMENTATION OF THE AGREEMENT	3
Joint Committee meetings	3
Promotion of exchanges and contacts	4
(1) Training schemes: research students, interpreters, statistical experts, vets - business management and modernization - study of methodological problems	4
(2) Information and study visits	5
New forms of contact between the People's Republic of China and the European Community	5
THE TEXTILE AGREEMENT BETWEEN THE COMMUNITY AND THE PEOPLE'S REPUBLIC OF CHINA	6
THE GENERALIZED SYSTEM OF PREFERENCES	7
TRADE PROMOTION EVENTS	7
EEC-China Business Week	7
Seminar on the reform of China's foreign trade system	8
Seminar on the sale of technology	8
Chinese purchasing visits	9
ENERGY COOPERATION	9
EXCHANGE OF VISITS	10
CONCLUSION	11
Annex I: Trade Agreement between the European Community and the People's Republic of China	12
Annex II: Trade between the Community and China	15

X/279/83 - EN

OCTOBER 1983

Free reproduction authorized, with or without indication of source. Voucher copies would be appreciated.

This Information Note is published to mark the forthcoming official visit by Mr Gaston Thorn, President of the Commission of the European Communities, to the People's Republic of China from 1 to 6 November 1983.

## INTRODUCTION

On 3 April 1978 the People's Republic of China and the European Community signed a Trade Agreement which marks an important stage in the rapprochement between Europe and China.

At meetings of the Joint Committee set up to monitor implementation of the Agreement, both sides have expressed satisfaction at the way it is working.

The textile agreement initialled on 18 July 1979 covers a major trade sector.

Opportunities for fruitful contact have been opened up by a programme of training for Chinese officials in various Commission departments and VIP visits in both directions.

The EEC-China Business Week in the spring of 1981 brought China's largest-ever high-level trade delegation, a hundred strong, to the Community and is an important landmark in relations between the parties after the signing of the Trade Agreement. It was the first such event to be run by the Commission with a non-member country, and provided an opportunity to look at new prospects for both Chinese exports to the Community in areas of effective demand and Community plant and machinery exports to China.

The foundation for wide-ranging long-term cooperation on energy was laid by a visit to China by senior Community officials in November 1981 and a return visit by senior Chinese energy officials to the Commission and Member States in February and March 1982.

## BACKGROUND

The interest China has shown in the development of the European Community goes back to the early 1970s.

Politics apart, issues coming under the common commercial policy have also prompted a strengthening of contacts between the People's Republic of China and the Community. Bilateral trade agreements between Member States and China were due to expire at the end of 1974, in accordance with decisions taken by the Community institutions regarding the introduction of a common commercial policy. In November 1974 the Community therefore sent a memorandum, together with an outline agreement, to the People's Republic of China (as well as to other state-trading countries) indicating its readiness to conclude a trade agreement.

Sir Christopher Soames, then Vice-President of the Commission with responsibility for external relations, visited China in May 1975. In the course of his talks with the late Premier Zhou En Lai, the Chinese Government announced its decision to establish official relations with the Community and to appoint an ambassador to it. At the same time the Chinese authorities promised to give favourable consideration to the Community's proposal that a suitable trade agreement be negotiated between the two parties to replace the bilateral agreements that had expired.

On 15 September 1975, Ambassador Li Lianbi presented his credentials to the President of the Council and the President of the Commission of the European Communities as Head of the mission of the Chinese People's Republic to the European Communities. The exploratory talks with a view to negotiating the agreement started in July 1975.

A Commission delegation visited China from 4 to 13 July 1977 to continue the exploratory talks with the Government, and was received by the Minister of Trade, Mr Li Qiang.

The negotiations proper took place in Brussels and led to the initialling of a trade agreement on 3 February 1978.

#### THE AGREEMENT BETWEEN THE PEOPLE'S REPUBLIC OF CHINA AND THE EUROPEAN COMMUNITY

The official signing ceremony took place on 3 April 1978, when Mr Li Qiang was visiting Brussels. The Agreement was signed on the Community's behalf by Mr K.B. Andersen, President of the Council, and Mr Wilhelm Haferkamp, Vice-President of the Commission. It came into force on 1 June 1978.

Concluded for a period of five years with tacit renewal every year, the Agreement is of a non-preferential nature and sets out a number of rules aimed at promoting trade.

The parties agree to accord each other most-favoured nation treatment in respect of tariffs.

A special clause requires the parties, each according to its means, to try and attain balance in their trade, and stipulates that in the event of obvious imbalance the Joint Committee will study ways of remedying the situation.

China undertakes to give favourable consideration to imports from the Community, while the Community is to aim at an increasing liberalization of imports from China. This is the first time such a clause has been incorporated in a trade agreement (Article 4).

Whilst providing for friendly consultations in the event of difficulties concerning trade, the parties agreed that they could take unilateral measures in exceptional cases "where the situation does not admit any delay".

The parties also undertake to promote visits by individuals, groups and delegations from the economic, commercial and industrial spheres, facilitate exchanges and contacts and encourage the organization of fairs and exhibitions.

The Agreement contains a price clause specifying that trade in goods and services will be effected at market-related prices.

It is managed by a Joint Committee which normally meets once a year.

#### IMPLEMENTATION OF THE AGREEMENT

##### Joint Committee meetings

The Joint Committee has so far met four times; in Beijing from 17 to 19 July 1979, in Brussels on 3 and 4 November 1980, in Beijing on 12 and 13 November 1981 and in Brussels on 11 and 12 November 1982.

The fifth meeting of the Joint Committee will be held in Beijing from 7 to 11 November 1983.

The general feeling has been that the implementation of the Agreement is going smoothly.

At the first Joint Committee meeting the Community announced its intention to extend GSP concessions to China on most products.

Concessions announced at the 1979 and 1981 Joint Committee meetings have added a number of products to the Community liberalization list annexed to the Regulation on common rules for imports from China; the list now contains 848 CCT headings or subheadings out of the total of 1 012 headings.

Despite its economic problems the Community has steadily increased the level of quotas under the autonomous import arrangements.

Although since 1980 trade between the parties has not attained the high levels which it reached in 1978 and 1979, participants at the fourth meeting of the Joint Committee were satisfied with its overall trend since the entry into force of the Agreement. China accepted the Community's proposal that the validity of the Agreement, which was due to expire on 31 May 1983, be extended for one year.

Following the revision of China's internal policies in 1979, Community exports declined in 1980 but picked up slightly in 1981 and 1982. This recovery has held steady during the first half of 1983.

## Promotion of exchanges and contacts

- (1) Training schemes: research students, interpreters, statistical experts, vets - business management and modernization - study of methodological problems

In the course of their respective visits to China in September 1978 and February 1979, Mr Haferkamp and Mr Jenkins both offered a number of study awards.

At the second and third Joint Committee meetings the Chinese delegation expressed the hope that the programme launched by Mr Haferkamp could be continued.

Between the beginning of 1979 and 1982, 17 awards were made for long periods of specialist study and 12 for short periods.

Most of the Chinese award-holders are postgraduates undertaking university research in the Community.

Since 1979 three officials from the Beijing Institute of Foreign Languages and the Ministry of Foreign Trade have visited the Commission's Joint Interpreting and Conferences Service every year to gain insight into the problems of simultaneous interpretation.

Contacts established following a visit by senior Chinese customs officials to the Statistical Office of the European Communities in July 1979 have been renewed. The SOEC<sup>1</sup> and the Computer Centre take three experts (four in 1982) each year from the central Chinese customs administration to familiarize them with the Community's customs work.

A European customs expert went out to Beijing at the end of May 1982 to teach at the Foreign Trade Institute, and another will take over from him at the end of the year, as part of a programme arranged by the Customs Union Service. In all, five or six Community customs experts will be taking part.

From January to April 1982 four Chinese vets followed a course of training in Belgium, the Netherlands, Denmark, France and the United Kingdom.

The Commission has proposed a project to set up a business management centre in Beijing in response to one of the priority needs voiced by the Chinese authorities.

Under this scheme, European teachers or experts (approximately 10 per year for three years) would be sent to China to train Chinese managerial staff.

This spring, three consultants were sent to China to study the situation. The project is due to be finalized with the Chinese authorities by the end of the year and the centre could start operating at the beginning of 1984.

---

<sup>1</sup>SOEC = Statistical Office of the European Communities.

(2) Information and study visits

A special programme on the Community's information policy was organized on 22 September 1980 for a delegation consisting of nine journalists led by the General Secretary of the Chinese National Association of Journalists.

On 10 March 1982, radio and television journalists visited the Commission's Radio, Television and Films Division and the European Broadcasting Union.

In June 1979 three Chinese officials, from the foreign ministry, the trade ministry and the Institute for Research in International Affairs, visited Community institutions in Brussels, Luxembourg, Germany, the United Kingdom and the Netherlands.

A second programme was arranged for a head of department from the trade ministry and two officials from the national import-export company, who visited Brussels and Luxembourg from 23 November to 12 December 1981.

A third programme, which ran from 7 to 20 June 1982, involved 12 senior trade officials from the Chinese provinces and officials from the ministry for foreign economic and trade relations. They visited Brussels, Luxembourg, the Netherlands, Germany and France.

A fourth programme, from 15 to 29 October 1983, involved 10 persons from the central ministry for foreign economic and trade relations and from provincial foreign trade departments, together with an official from the ministry for general planning.

The group visited Belgium, the Netherlands, Luxembourg and Italy.

Teachers from the SINICA Academy were received at the Commission on 19 October 1981.

Two visits by Chinese students following courses in Europe were made on 4 and 5 November 1982 for 38 students staying in Great Britain and on 16 and 17 May 1983 for 46 students attending French and Belgian universities.

New forms of contact between the People's Republic of China and the European Community

Aware of the usefulness of the exchanges of view at meetings of the Joint Committee, China and the Community agreed during a visit by Mrs Chen Muhua, the minister for foreign economic and trade relations, to initiate high-level consultations in the interests of widening discussions to include all matters of mutual interest, thereby adding a new dimension to relations between China and the Community.

The first consultations will take place in Beijing in the spring of 1984.

The decision taken at the Council meeting of the Community's foreign ministers held on 25 and 26 April this year to initiate regular exchanges of view on current international topics of probable interest to both parties is a further example of the widening of contacts between China and the Community.

Consultations will take place every six months in the form of a meeting between the political director of the foreign ministry of the Member State holding the Presidency and the Chinese ambassador accredited to the country concerned.

The first consultations were held on 3 June 1983 in Bonn.

#### THE TEXTILE AGREEMENT BETWEEN THE COMMUNITY AND THE PEOPLE'S REPUBLIC OF CHINA

The textile agreement fits into the general framework of trade relations between China and the Community, for both of which it constitutes an important and concrete application of the EEC-China Trade Agreement.

It was initialled on 18 July 1979 and given effect on a transitional basis for the rest of that year by an increase in the quotas under the unilateral Community system governing textile imports from China. The Agreement was brought fully into effect from 1 January 1980 and is valid till 31 December 1983.

The Agreement sets out a five-year framework for imports into the Community of Chinese textiles and garments of cotton, wool or synthetic and artificial fibres. Although it guarantees significantly increased access for these products to the Community market, the Agreement takes full account of the considerable difficulties faced at the present time by the clothing and textile industries of the "Ten", and of the interests of other suppliers which have concluded agreements with the Community.

The Chinese negotiators agreed to a strengthening of the safeguard clause for the products not subject to quota. This will enable the Community if necessary to curb textile and clothing imports from China to a level not exceeding the thresholds set in the bilateral agreements with Community suppliers concluded within the framework of the Multifibre Arrangement. Thus while giving vital protection to Community industries, the safeguard mechanism will at the same time offer Chinese exporters guaranteed access to the Community market. (Note that a system of double administrative control - checking at the export and the import stage - applies to all products, not merely to those subject to import limits.)



In addition, the Chinese authorities have undertaken to maintain the present balance of trade in textiles between the two parties; to supply minimum guaranteed quantities of certain textile raw materials necessary for the European processing industry (pure silk, angora, cashmere) and to comply with an effective price clause.

This Agreement represents one of the cornerstones in the development of economic relations between China and the Community on the basis of mutual advantage.

Exploratory talks are in progress with a view to renewal of the Agreement.

#### THE GENERALIZED SYSTEM OF PREFERENCES (GSP)

Visiting China in February 1979, Mr Jenkins told the Chinese authorities that the Commission was considering admitting China to the ranks of the GSP beneficiaries. The scheme offers these countries duty-free access to the Community for their industrial exports, within certain quantitative limits, and reduced tariffs for some processed agricultural exports.

China duly became a GSP beneficiary from 1 January 1980, gaining concessions on most of its industrial exports other than certain sensitive products, and its exports of quota-free farm products. Other industrial and agricultural products were subsequently included in the 1981, 1982 and 1983 GSP schemes.

The Commission arranged seminars in Beijing, Tianjin, Shanghai and Guangzhou from 20 to 30 January 1980 to answer Chinese officials' and businessmen's questions about GSP, and Commission officials also held a GSP seminar in Nanjing from 23 to 27 March 1982.

#### TRADE PROMOTION EVENTS

##### EEC-China Business Week

This, the major event since the signing of the EEC-China Trade Agreement, took place from 30 March to 10 April 1981 in Brussels under the auspices of the Commission and the Chinese Government. Both political and economic matters were on the agenda.

Political talks were held between Mr Thorn, Mr Davignon and Mr Haferkamp and a Chinese delegation led by the Deputy Prime Minister Gu Mu and including three other deputy ministers, Mr Wei Yuming of the State Commission for Import Control, Mr Jia Shi of the Ministry of Foreign Trade and Mr Fu Zihe of the State Planning Commission.

Economically speaking the EEC-China Business Week, bringing together over eight hundred officials and businessmen from China and the Community, marked a further stage in the development of relations between the two sides since 1975, particularly since the signing of the Trade Agreement on 3 April 1978.

After the opening talks on general background topics, a series of meetings was held to review the situation in certain industries chosen in the light of China's new economic priorities, the two sides' import and export strategies and the scope for investment: ores and metals, hides, skins and leather, light industry, textiles, chemicals and engineering.

Most of the Business Week was taken up by individual meetings between Community businessmen and Chinese officials concerned with these six industries with the aim of identifying specific trade opportunities, discussing practical problems and clarifying the prospects for a medium-term expansion of trade and cooperation.

One aim of these personal contacts was to enable the Chinese and European delegates to explore and take advantage of the opportunities which China's new internal policies and enthusiasm for foreign trade have opened up.

By way of a follow-up to the EEC-China Business Week, the Commission organized in Brussels on 7 and 8 July 1982 a seminar on the reform of China's foreign trade system.

This seminar enabled the participants (businessmen, representatives of banks and trading firms and officials from bodies in the Member States concerned with foreign trade) to find out about the reorganization of China's foreign trade system, particularly with regard to the measures taken to decentralize decision-making to local bodies and the recently established special economic zones.

A delegation of senior Chinese officials from central and local foreign trade bodies made a lively contribution to the seminar.

The Commission organized in China, from 18 to 29 October 1982, a seminar for the sale of plastics processing technology.

This seminar, which took place successively in Beijing and Tianjin, enabled technical sales representatives from the Community to exhibit before several hundred Chinese engineers and technicians advanced European technology in the field of plastics processing.

This seminar was followed up by a visit to Europe in September 1983 by a Chinese delegation of engineers specializing in this field.

In 1983 the Commission financed a number of Chinese purchasing visits to the Community involving the following sectors: special papers, mining equipment, air navigation instruments and equipment, microscopes and ores.

#### ENERGY COOPERATION

Following an information-gathering trip to China in November 1981 by Mr M. Carpentier, Deputy Director-General for Energy, a delegation of senior Chinese energy officials visited the Commission from 16 February to 18 March 1982. This visit enabled the collaboration projects discussed on the earlier occasion to be worked out in further detail.

The Chinese delation was headed by the Vice-President of the State Science and Technology Commission, Mr Yang Jun; it met officials from the Commission and the Member States and representatives of industry and scientific circles, and toured energy facilities in most of the Member States.

The delegation discussed policies for coal, electricity and oil, energy conservation, new energy sources, and energy programming with Mr Davignon and ministers in the Member States visited.

In Brussels, the delegation's visit provided an opportunity to put the finishing touches to the first joint energy projects and contracts were signed for:

- (i) a visit to China by European experts from April to October 1982 to train Chinese officials, energy managers and university staff in energy programming;
- (ii) advanced energy planning courses for Chinese officials at the Ispra Joint Research Centre;
- (iii) a methodological study on energy supply and demand trends in both rural and industrial China.

During his visit to China in 1982 Mr Davignon discussed with the various ministers concerned how energy cooperation should be pursued and developed.

## EXCHANGES OF VISITS

Vice-Premier Gu Mu and Mr Li Qiang, the trade minister, visited the Commission in the spring of 1978 and Mr Bu Ming, then Vice-President of the Bank of China, in July of the same year.

At the invitation of the Chinese Government Mr Haferkamp, Vice-President of the Commission in charge of external relations, headed a Community delegation which visited China from 24 September to 2 October 1978. Members of the delegation included eminent industrialists and businessmen from the Member States. The visit took place at a crucial moment in China's political and economic life. Mr Haferkamp talked to Mr Li Xian Nian and other Chinese leaders.

At the beginning of 1979, Mr Jenkins paid an official visit to China and held talks with Premier Hua Guofeng, Vice-Premier Deng Xiaoping and Vice-Premier Gu Mu. Mr Colombo, then President of the European Parliament, also paid an official visit to China at this time.

Mr Wang Renzhong, Vice-Premier and President of the State Commission for Agriculture of the People's Republic of China, visited the Commission on 11 October 1979.

Mr Wang Zigang, Minister of Posts and Telecommunications, was also received at the Commission during the same period.

A delegation from the National People's Congress, led by Mrs Deng Yinghao, Vice-Chairman of the Congress, was received by Mrs Simone Veil in Strasbourg from 16 to 18 June 1980, and also met Mr Jenkins.

Mrs Simone Veil visited China from 17 to 28 July 1981 as President of the European Parliament.

Mr E. Davignon, Commission Vice-President in charge of industrial affairs and energy, led a visit by a Commission delegation to China from 11 to 21 June 1982. He had talks with ten or so Chinese ministers as well as with the Prime Minister Zhao Ziyang.

The Vice-President of China's State Economic Commission, Mr Ma Yi, visited Brussels on 1 February 1983. The various possibilities for cooperation between China and the Community were discussed.

On 19 April 1983, at the end of a European tour, Mrs Chen Muhua, Chinese minister responsible for foreign economic and trade relations, met Mr Thorn, Mr Haferkamp and Mr Davignon.

A large delegation from the National People's Congress, led by Mr Chen Pixian, Vice-Chairman of its Standing Committee, paid an official visit to the European Parliament from 11 to 16 October 1983.

#### CONCLUSION

Overall trade between the Community and China doubled between 1975 and 1979; the rate of expansion was checked in 1980 by the revision of Chinese policies but began to pick up again in 1981-82 and continued to improve during the first half of 1983.

The EEC-China Business Week, which offered such rich opportunities for making contacts, is likely to bear fruit in the years to come. This event was a milestone in the development of relations between the two sides.

The visit by senior Chinese energy officials to the Commission and Member States has paved the way for cooperation in this field, a major step forward in the development of closer economic ties between the Community and China.

The process is well under way. During the Business Week Commission President Gaston Thorn voiced Europe's support for China's modernization efforts and understanding of its need to review its economic policies. He also affirmed that Europe's industries were both willing and able to play a part in China's modernization.

Relations between China and the Community have recently extended beyond the economic sphere to cover political cooperation.

Their decision to initiate reciprocal consultations is proof of the supreme importance which the People's Republic of China and the European Community attach to their relations.

Trade Agreement between the  
European Economic Community and the People's Republic of China

## I

*(Acts whose publication is obligatory)*

**COUNCIL REGULATION (EEC) No 946/78**

**of 2 May 1978**

**concerning the conclusion of the Trade Agreement between the European Economic Community and the People's Republic of China**

THE COUNCIL OF THE EUROPEAN  
COMMUNITIES,

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

Having regard to the recommendation from the Commission,

Whereas the Trade Agreement between the European Economic Community and the People's Republic of China, signed in Brussels on 3 April 1978 should be concluded,

HAS ADOPTED THIS REGULATION :

*Article 1*

The Trade Agreement between the European Economic Community and the People's Republic of China is hereby approved on behalf of the Community.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 2 May 1978.

The text of the Agreement is annexed to this Regulation.

*Article 2*

The President of the Council shall give the notification provided for in Article 11 of the Agreement<sup>1</sup>.

*Article 3*

The Community shall be represented on the Joint Committee provided for in Article 9 of the Agreement, by the Commission, assisted by representatives of the Member States.

*Article 4*

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

*For the Council*

*The President*

K. B. ANDERSEN

<sup>1</sup> The Agreement came into force on 1 June 1978.

## TRADE AGREEMENT

between the European Economic Community and the People's Republic of China

THE COUNCIL OF THE EUROPEAN COMMUNITIES

and

THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA.

DESIRING to develop economic relations and trade between the European Economic Community and the People's Republic of China on the basis of equality and the mutual advantage of the two Contracting Parties and to give a new impetus to their relations,

HAVE DECIDED TO CONCLUDE THIS AGREEMENT THE TERMS OF WHICH ARE AS FOLLOWS:

### *Article 1*

The two Contracting Parties will endeavour, within the framework of their respective existing laws and regulations, to promote and intensify trade between them.

To this end they confirm their determination:

- (a) to take all appropriate measures to create favourable conditions for trade between them;
- (b) to do all they can to improve the structure of their trade in order to diversify it further; and
- (c) to examine, each for its own part and in a spirit of goodwill, any suggestions made by the other Party, in particular in the Joint Committee, for the purpose of facilitating trade between them.

### *Article 2*

1. In their trade relations the two Contracting Parties shall accord each other most-favoured-nation treatment in all matters regarding:

- (a) customs duties and charges of all kinds applied to the import, export, re-export or transit of products, including the procedures for the collection of such duties or charges;
- (b) regulations, procedures and formalities concerning customs clearance, transit, warehousing and transshipment of products imported or exported;
- (c) taxes and other internal charges levied directly or indirectly on products or services imported or exported;
- (d) administrative formalities for the issue of import or export licences.

2. Paragraph 1 of this Article shall not apply in the case of:

- (a) advantages accorded by either Contracting Party to States which together with it are members of a customs union or free trade area;
- (b) advantages accorded by either Contracting Party to neighbouring countries for the purpose of facilitating border trade;
- (c) measures which either Contracting Party may take in order to meet its obligations under international commodity agreements.

### *Article 3*

The two Contracting Parties will make every effort to foster the harmonious expansion of their reciprocal trade and to help, each by its own means, to attain a balance in such trade.

Should an obvious imbalance arise, the matter must be examined within the Joint Committee so that measures can be recommended in order to improve the situation.

### *Article 4*

1. The People's Republic of China will give favourable consideration to imports from the European Economic Community. To this end the competent Chinese authorities will ensure that Community exporters have the possibility of participating fully in opportunities for trade with China.

2. The European Economic Community will strive for an increasing liberalization of imports from the People's Republic of China. To this end it will endeavour progressively to introduce measures extending

the list of products for which imports from China have been liberalized and to increase the amounts of quotas. The procedure for implementation will be examined within the framework of the Joint Committee.

#### *Article 5*

1. The two Contracting Parties shall exchange information on any problems that may arise with regard to their trade and shall open friendly consultations, with the intention of promoting trade, for the purpose of seeking mutually satisfactory solutions to those problems. Each of the two Contracting Parties will ensure that no action is taken before consultations are held.

2. In an exceptional case, however, where the situation does not admit any delay, either Contracting Party may take measures, but must endeavour as far as possible to hold friendly consultations before doing so.

3. Each Contracting Party will ensure that, when taking the measures referred to in paragraph 2, the general objectives of this Agreement are not prejudiced.

#### *Article 6*

The two Contracting Parties undertake to promote visits by persons, groups and delegations from economic, trade and industrial circles, to facilitate industrial and technical exchanges and contacts connected with trade and to foster the organization of fairs and exhibitions by both sides and the relevant provision of services. As far as possible they must grant each other the facilities concerning the above activities.

#### *Article 7*

Trade in goods and the provision of services between the two Contracting Parties shall be effected at market-related prices and rates.

#### *Article 8*

The Contracting Parties agree that payments for transactions shall be made, in accordance with their respective existing laws and regulations, in currencies of the Member States of the Community, Renminbi or any convertible currency accepted by the two parties concerned in the transactions.

#### *Article 9*

1. An EEC-China Joint Committee for Trade shall be set up, comprising representatives of the European Economic Community on the one hand and representatives of the People's Republic of China on the other.

2. The tasks of the Joint Committee shall be as follows:

- to monitor and examine the functioning of this Agreement,
- to examine any questions that may arise in the implementation of this Agreement,
- to examine problems that could hinder the development of trade between the Contracting Parties,
- to examine means and new opportunities of developing trade between the Contracting Parties and other problems relating to their trade,
- and
- to make recommendations that may help to attain the objectives of this Agreement.

3. The Joint Committee shall meet once a year, in Brussels and Peking alternately. Extraordinary 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 by each of the two Contracting Parties in turn. Where both Parties consider it necessary, the Joint Committee may set up working parties to assist it in its work.

#### *Article 10*

As far as the European Economic Community is concerned, this Agreement shall apply to the territories in which the Treaty establishing the European Economic Community is applied, and under the conditions laid down in that Treaty.

#### *Article 11*

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 legal procedures necessary for this purpose. It is concluded for a period of five years. The Agreement shall be tacitly renewed from year to year provided that neither Contracting Party notifies the other Party in writing of its denunciation of the Agreement six months before the date of expiry.

However, the Agreement may be amended by mutual consent of the two Contracting Parties in order to take account of new situations.

(signatures follow)



Trade between the Community and China

(million ECU)

	1958	1960	1963	1966	1967	1968	1969	1970	1971	1972
Imports	163	235	165	357	315	318	370	348	362	418
Exports	384	331	153	417	521	444	432	461	397	369
Balance	+221	+96	-12	+60	+206	+126	+62	+113	+35	-49

	1973	1974	1975	1976	1977
Imports	544	722	667	860	863
Exports	607	807	1153	1186	796
Balance	+63	+85	+486	+326	-67

	1978	1979	1980	1981	1982	1983 (first half)
Imports	940	1329	1907	2284	2334	1195
Exports	1489	2103	1734	1894	2044	1305
Balance	+549	+774	-173	-390	-290	

Source: EUROSTAT

EUROPE INFORMATION "EXTERNAL RELATIONS"

The following copies of "European Information" are still available, and may be obtained from:

Directorate-General for Information  
Documentation Service, Berl. 2/74 A  
Commission of the European Communities  
Rue de la Loi 200  
B - Brussels

- 37/80 List of main EEC agreements with other countries
- 40/80 The Community of Ten in figures
- 41/81 The Generalized System of Preferences and the European Community
- 43/81 Spain and the European Community
- 44/81 The European Community's Textiles Trade
- 45/81 The European Community and Bangladesh
- 46/81 The European Community and Sri Lanka
- 47/81 The European Community and Japan
- 48/81 The European Community and Sweden
- 49/81 The European Community and Norway
- 52/81 The European Community and Korea
- 53/81 The European Community and Central America
- 54/81 The European Community and Canada
  
- 57/82 The European Community and the United States
- 58/52 Portugal and the European Community
  
- 61/82 The European Community and the EFTA countries
- 62/82 The European Community and India
- 63/82 The European Community and Brazil
- 65/83 The European Community and Yugoslavia
- 66/83 ASEAN and the European Community
- 67/83 The European Community and Australia
- 68/83 The European Community and Latin America
- 69/83 Spain and the European Community
- 70/83 The European Community and New Zeland