

billion in financial aid — about u.a. 2.1 billion in grants, u.a. 430 million in special loans, and u.a. 95 million in risk capital. In addition, the Community provides u.a. 390 million in European Investment Bank loans.

The ACP countries help prepare and manage aid projects, which stress regional programs, the development of small and medium enterprises, and special measures for the poorest countries.

(5) Industrial co-operation

To help ACP countries develop and diversify their industrial capacity, an Industrial Co-operation Committee and an Industrial Development Centre promote the exchange of industrial know-how.

(6) Implementation

The Lomé Convention is managed by ministerial and ambassadorial councils — with the Community and the 46 ACP countries having equal representation — and a consultative assembly of parliamentarians from both sides, also on a basis of parity.

The Community's Mediterranean policy

For historical, geographical and cultural reasons, the Community has always considered its relations with its Mediterranean neighbours especially important. Besides its association agreements with Greece and Turkey, the Community has association agreements with Morocco, Tunisia, Malta and Cyprus, preferential trade agreements with Lebanon, Egypt, Spain and Israel, and a non-preferential trade agreement with Yugoslavia. It has also a trade and technical-co-operation agreement with Lebanon, and is negotiating an agreement with Algeria.

Negotiations based on a general approach are under way to replace this existing "patchwork" with a coherent series of agreements covering: economical and technical co-operation; free or preferential access to the Community market; financial aid to the region's least-developed countries; better living and working conditions for migrant workers and their families; and environmental protection, especially of the Mediterranean Sea.

All countries that border the Mediterranean, as well as Jordan, are eligible to negotiate under this "global" approach.

Latin America

In 1970, in a declaration at Buenos Aires, the Latin American countries asked the Community to strengthen its trade and financial ties with them, make special arrangements for agricultural trade, increase technical co-operation and reduce ocean-transportation costs.

In 1971, the Community and 22 Latin American countries formed the Latin American Co-ordination Committee. The Community maintains liaison offices in Chile and Uruguay.

The Community advises the Central American Common Market and Latin American Free Trade Area on the technicalities of economic integration.

The Community has trade agreements with Argentina, Brazil and Uruguay and has negotiated a commercial-co-operation agreement with Mexico. Latin American countries take part in its generalized prefer-

ences system.

Asia

The Community has a trade co-operation agreement with India and Sri Lanka and is negotiating similar agreements with Pakistan. It is likely to negotiate one with Bangladesh.

It has held exploratory talks with Iran about replacing an agreement that has expired with a broader commercial and economic one.

The Community supports the work of the Association of South-East Asian Nations (ASEAN) in furthering regional economic integration.

The developing countries of Asia are major beneficiaries of the Community's generalized preferences.

Relations with the Soviet Union, Eastern Europe and China

Community leaders have affirmed their determination to pursue and develop a policy of *détente* and co-operation in Europe. The Community countries have taken a common position in the Conference on Security and Co-operation in Europe (CSCE), which they regard as an important element in the evolution of relations between the Community and participating Eastern European countries.

Except for China and Yugoslavia, no East European Communist country has established diplomatic relations with the Community. Bulgaria, Hungary, Poland and Romania have arranged with the Commis-