

PRESS RELEASE

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**FIRST MEETING OF THE ASSOCIATION COUNCIL
BETWEEN THE EUROPEAN UNION AND LITHUANIA
(Brussels, 23 February 1998)**

JOINT PRESS RELEASE

1. The EU-Lithuania Association Council held its first meeting on Monday 23 February 1998, only a few weeks after the entry into force of the Europe Agreement on 1 February 1998. The meeting was chaired by Mr. Robin COOK, Foreign Secretary of the United Kingdom and President-in-Office of the Council of the European Union. The Delegation of Lithuania was headed by Mr Algirdas SAUDARGAS, Minister for Foreign Affairs. The European Commission was represented by Commissioner Hans van den BROEK.

The parties welcomed this inaugural meeting of the Association Council which marks an important step in the relations between the European Union and Lithuania. The Europe Agreement, which takes up the existing Free Trade Agreement of 1995, covers overall economic and political relations as well as cultural and financial cooperation. It will significantly broaden co-operation between the Union and Lithuania and it provides a vital institutional framework which will assist Lithuania's integration into the European Union.

2. The Association Council's first task was to adopt its rules of procedure. This Decision will be published in the respective Official Journals of the Parties.

An agreement was also reached on a Decision to amend the Protocol of the Europe Agreement regarding rules of origin in accordance with Decision no 1/97 of the Joint Committee under the Free Trade Agreement. This Decision, which will ensure legal continuity in this area, will be formally adopted by written procedure as soon as possible.

3. The meeting took place at a unique time, not long after the Luxembourg European Council of last December.

The European Union side presented the conclusions of the Luxembourg European Council which took the historic decision to launch the overall enlargement process. After the European Conference in London on 12 March, the Ministers of Foreign Affairs of the 15 Member States of the European Union, the 10 Central and Eastern European applicant States and Cyprus will meet in Brussels on 30 March for the formal launch of the accession process. This will form part of the implementation to Article O of the Treaty on European Union. The nature of this process is comprehensive, inclusive and ongoing, and will take place in stages ; each of the applicant States will proceed at its own rate, depending on its degree of preparedness. The EU emphasized that the main task in the years ahead will be to prepare the applicants for accession and to see that the Union is properly prepared for enlargement. It underlined that negotiations are only one aspect of the accession process. Accession can only take place when an applicant country is completely ready to assume the rights as well as the obligations of membership. The European Council decided that the preparation of negotiations with Lithuania should be speeded up, in particular through an analytical examination of the Union acquis. It will be up to Lithuania, as part of this inclusive and dynamic process, to take full advantage of the pre-accession period. The progress of Lithuania in adopting and implementing the Union acquis will be examined in the Association Council and its bodies.

The Association Council examined the state-of-play of Lithuania's preparation for accession. In this respect it welcomed the information given by Lithuania on the drawing up of the National Programme for the adoption of the Union acquis. In particular, the Association Council noted that Lithuania is actively working to put into practice the enhanced pre-accession strategy and it is carrying out the necessary preparations for the analytical study of the Union acquis, as provided for in the Luxembourg European Council conclusions. Legal harmonization has been progressing by implementing the National Law Harmonisation Programme and the White Paper on integration into the EU Internal Market. The Institution Building Plan is being finalized to prepare Lithuanian public administration for EU membership requirements.

4. Concerning bilateral relations, the Association Council was confident that the entry into force of the Europe Agreement will add a new dimension to relations between the European Union and Lithuania. The Agreement will provide the framework for further developing bilateral cooperation and will support Lithuania's gradual integration into the Union. The institutions established under the Agreement will ensure that all sectors relevant to European integration are regularly discussed by experts from both the Union side and Lithuania.

The Association Council welcomed the fact that trade relations have continued to develop in a positive manner. In 1996, the share of EU in Lithuania's foreign trade was 42 % of exports and 41.5 % of imports. GDP growth in Lithuania was 4.2 % in 1996, while estimates point to 6.4 % in 1997. According to Lithuanian data, inflation has fallen to 8.4 % in 1997 from 13.1 % in 1996.

An Additional Protocol to the Europe Agreement has been drawn up following the conclusion of the Uruguay Round and the latest enlargement. It is expected to enter into force as soon as the internal procedures have been completed. It will include, inter alia, a new Protocol on processed agricultural products. A new Protocol with Lithuania establishing a free trade regime in textile products, was initialled in November 1997. Pending formal conclusion, it is being provisionally applied from 1 January 1998.

The Europe Agreement also provides for Lithuanian participation in Community programmes. Implementing Decisions to this effect will be taken in due course by the Association Council.

5. The Association Council emphasized the importance of regional cooperation as a means of fostering stability and good neighbourly relations. In this regard, it welcomed the Free Trade Agreements between Lithuania and the two other Baltic States and the progress made by Lithuania in strengthening trade relations with other candidate countries. Recalling its general support for the liberalisation of trade, the Union underlined the need for Lithuania to take into account possible implications for future accession to the Union.

The Association Council also welcomed the holding of an international conference in Vilnius on good-neighbourly relations in September 1997. It was looking forward to the forthcoming Lithuanian Presidency of the Council of the Baltic Sea States, which is a useful forum for the promotion of good neighbourly relations, co-operation in the field of trade and infrastructure, encouragement of political stability and reinforcement of human rights and democracy. In this respect, it noted the outcome of the recent meeting of Heads of State and Government in Riga.

In the same context of development of regional relations, the Association Council welcomed the Lithuania-Russia Border Agreement and the efforts aimed at further developing the cooperation with Russia.

Ministers had a fruitful discussion over dinner on international issues of common interest. They noted with satisfaction that co-operation in the context of the common foreign and security policy between the EU and the associated countries has continued to develop. In this context they welcomed Lithuania's consistent alignment with CFSP instruments of political dialogue.