

**Declaration by the European Economic Community****on the adaptation and modernization of the Portuguese economy**

The accession of the Portuguese Republic to the European Communities affords the prospect of modernizing its economy and increasing its growth potential.

To that end, a specific agricultural development programme previously defined in Article 263 and Protocol 24 shall apply immediately upon accession and shall be phased over a total of 10 years.

A similar effort is called for in the industrial field, in order to modernize the production sector and to adapt it to European and international economic realities. The Community is prepared, in the same spirit as for agriculture, to aid Portuguese undertakings, by letting them benefit from its technical support and its credit instruments — both NCI and private operations — and by increased contributions from the European Investment Bank.

**Declaration by the European Economic Community****on the application of the Community loan mechanism in favour of Portugal**

Within the framework of the Community loan mechanism designed to support balances of payments of Member States (in accordance with the provisions of Council Regulation (EEC) No 682/81 of 16 March 1981 as amended by Council Regulation (EEC) No 1131/85 of 30 April 1985) a sum of 1 000 million ECU will be granted to the Portuguese Republic in the form of a loan over the years 1986 to 1991. For the annual division of this total amount, a special effort will be made in 1986 and in 1991.

**Declaration by the European Economic Community****on the application of the regulatory amount**

The Community takes note that application of the regulatory amount arrangements should not affect traditional trade patterns.

**Declaration by the Kingdom of Spain: CECAF**

The Kingdom of Spain considers that any reference to the zone covered by the Fishery Committee for the Eastern Central Atlantic (CECAF) must extend without prejudice to the rights of the Kingdom of Spain to the effects of demarcation of Spanish waters.