

**No. 4875**

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**JAPAN  
and  
LAOS**

**Agreement on economic and technical co-operation. Signed  
at Tokyo, on 15 October 1958**

**Exchange of notes constituting an agreement concerning  
the application of the above-mentioned Agreement.  
Vientiane, 23 January 1959**

*Official text: French.*

*Registered by Japan on 15 September 1959.*

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**JAPON  
et  
LAOS**

**Accord de coopération économique et technique. Signé à  
Tokyo, le 15 octobre 1958**

**Échange de notes constituant un accord relatif à l'applica-  
tion de l'Accord susmentionné. Vientiane, 23 janvier  
1959**

*Texte officiel français.*

*Enregistrés par le Japon le 15 septembre 1959.*

[TRANSLATION — TRADUCTION]

No. 4875. AGREEMENT<sup>1</sup> ON ECONOMIC AND TECHNICAL  
CO-OPERATION BETWEEN JAPAN AND LAOS. SIGNED  
AT TOKYO, ON 15 OCTOBER 1958

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The Government of Japan and the Royal Government of Laos,  
Considering that Laos has renounced all its claims for reparation against  
Japan and has expressed a desire to receive economic and technical assistance  
from Japan for its economic development, have agreed to conclude the Agree-  
ment on economic and technical co-operation set forth in the following articles :

*Article I*

1. Japan, with a view to assisting Laos in its economic development, agrees to furnish it, on a grant basis and in accordance with the provisions of this Agreement, assistance to the value of 1,000 million yen in the provision of Japanese commodities and the services of Japanese individuals and bodies corporate. Such assistance shall be used for the execution of projects to be determined by mutual agreement between the two Governments.

2. The assistance to be granted by Japan in accordance with the provisions of this Agreement shall continue for a period of two years from the date of the entry into force of this Agreement, unless otherwise agreed by the two Governments.

*Article II*

The Royal Government of Laos shall establish, in agreement with the Government of Japan, programmes for the implementation of the projects referred to in article I, paragraph 1 (hereinafter called "implementation programmes"). The implementation programmes shall specify the commodities and services which Japan will furnish each year.

*Article III*

1. The Laotian agency designated by the Royal Government of Laos shall conclude contracts directly with Japanese individuals or with Japanese bodies corporate under Japanese control for the supply of the commodities and services specified in article I, paragraph 1.

2. The contracts referred to in paragraph 1 of this article (and any amendments thereto) shall be in conformity with (a) the provisions of this Agreement,

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<sup>1</sup> Came into force on 23 January 1959, the date of the exchange of the instruments of ratification at Vientiane, in accordance with article VIII.

(b) the terms of the arrangements between the two Governments for the application of this Agreement and (c) the implementation programmes. Such contracts shall be submitted to the two Governments for approval. A contract approved in accordance with the provisions of this paragraph is hereinafter called a "Contract".

3. Notwithstanding the provisions of paragraph 1 of this article, the commodities and services referred to in article I, paragraph 1, may be supplied without the conclusion of Contracts, provided that there is an agreement to this effect between the two Governments and that the total sum involved does not exceed ten million yen.

#### *Article IV*

1. The Government of Japan shall, in accordance with the arrangements to be established under article VII, make the necessary deposits to meet the contractual obligations incurred by the Laotian agency specified in article III, paragraph 1, and, in the cases provided for in article III, paragraph 3, to meet the costs of the commodities and services supplied in accordance with the terms of this paragraph. Such deposits shall be made in Japanese yen.

2. Commodities and services in respect of which deposits have been made in accordance with paragraph 1 of this article shall be deemed to have been furnished by Japan to Laos by reason of such deposits and at the time such deposits are made.

#### *Article V*

The two Governments shall take the necessary steps for the orderly and effective application of this Agreement.

#### *Article VI*

A Joint Commission, composed of representatives of the two Governments, shall be set up to supervise the execution of the implementation programmes and the Contracts and to make recommendations to the two Governments with regard to the application of this Agreement.

#### *Article VII*

Detailed arrangements for the application of this Agreement shall be established by mutual agreement between the two Governments.

#### *Article VIII*

This Agreement shall be ratified. It shall enter into force on the date of exchange of the instruments of ratification. The instruments of ratification shall be exchanged at Vientiane as soon as possible.

IN WITNESS WHEREOF the undersigned, duly authorized by their respective Governments, have signed this Agreement.

DONE in duplicate at Tokyo, this 15th day of October 1958.

For Japan :  
Aiichiro FUJIYAMA

For Laos :  
Tiao KHAMMAO

EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup>  
BETWEEN JAPAN AND LAOS CONCERNING THE  
APPLICATION OF THE AGREEMENT OF 15 OCTOBER  
1958<sup>2</sup> ON ECONOMIC AND TECHNICAL CO-OPERATION.  
VIENTIANE, 23 JANUARY 1959

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I

Vientiane, 23 January 1959

Sir,

I have the honour to refer to the Agreement on economic and technical co-operation between Japan and Laos, signed on 15 October 1958.<sup>2</sup> The Government of Japan proposes that, under the provisions of article VII of the said Agreement, the two Governments shall agree as follows :

I. ASSISTANCE

1. Assistance granted under the provisions of the said Agreement shall be furnished in such a way that it does not interfere with the normal flow of trade between Japan and Laos and does not impose any additional burden on Japan in the matter of foreign exchange.
2. The Royal Government of Laos shall provide the labour and such local materials and equipment as may be required to facilitate the supply by Japan of the commodities and services provided for in article I of the said Agreement.
3. The Japanese nationals whose presence in Laos is necessary for the execution of the projects referred to in article I, paragraph 1, of the said Agreement shall be granted, during the period they are required to stay in Laos, all the facilities deemed necessary for the performance of their work.
4. Japanese individuals or bodies corporate (hereinafter called " the Japanese ") shall be exempt from all taxation in Laos with respect to commodities and services furnished under Article I of the said Agreement.
5. If operations should necessitate the use by the Japanese of equipment and machinery admitted on a temporary basis, the required permits, exemptions and other facilities for the provisional import and re-export of such equipment or machinery shall be granted by the Royal Government of Laos.
6. The Royal Government of Laos shall take such measures as are necessary to prevent the re-export from Laos of the Japanese commodities furnished as part of this assistance.

II. CONTRACTS

7. Contracts shall be concluded in terms of Japanese yen in accordance with normal commercial procedure.

<sup>1</sup> Came into force on 23 January 1959 by the exchange of the said notes.

<sup>2</sup> See p. 27 of this volume.

8. The Government of Japan may make recommendations to the Laotian agency specified in article III, paragraph 1, of the said Agreement (hereinafter called " the Laotian Agency") concerning the Japanese qualified to conclude Contracts.
9. The responsibility for the execution of Contracts shall lie solely with the Laotian Agency and the Japanese that are parties to the Contracts.
10. All Contracts under which accessory and additional services such as transportation, insurance or inspection are to be provided and paid for as part of the assistance furnished under the said Agreement shall contain provisions stipulating that all such services shall be supplied by Japanese individuals or Japanese bodies corporate under Japanese control.
11. Every Contract shall contain a clause stipulating that any disputes arising out of or relating to the Contract shall be settled in accordance with the procedures established by the two Governments.

### III. PAYMENT

12. The National Bank of Laos, the only official agency in Laos authorized to open an account abroad, shall make, on behalf of the Laotian Agency, an arrangement with a bank of its choice, which shall be an agency approved by Japan, and shall open a Special Account called " NATIONAL BANK OF LAOS JAPANESE ASSISTANCE " (hereinafter called " Special Account "), authorizing the said Japanese bank to receive deposits made by the Government of Japan and to make payments, and it shall inform the Government of Japan of the terms of this arrangement. It is understood that the Special Account will not bear interest.
13. Within a suitable period before payments fall due under a Contract, the Laotian Agency shall submit to the Government of Japan a request for payment specifying the sum to be paid and the date on which the Laotian Agency is required to make the payment to the contracting party concerned.
14. On receipt of the request for payment, the Government of Japan shall deposit the sum requested in the Japanese bank referred to in paragraph 12 above, before the above-mentioned date of payment by the Laotian Agency.
15. The Government of Japan shall make deposits, in the manner provided for in paragraph 14 above, to cover the costs of commodities and services furnished in accordance with the provisions of article III, paragraph 3, of the said Agreement.
16. The sums deposited in accordance with the provisions of paragraphs 14 and 15 above shall be credited to the Special Account, and no other funds shall be credited to this Account. The Account shall be debited solely for the purposes specified in paragraphs 13 and 15 above.
17. If some or all of the funds paid into the Special Account are not withdrawn by the Laotian Agency owing to cancellation of Contracts, etc., the unexpended amount shall be used for the purposes specified in paragraphs 13 and 15 above, subject to appropriate arrangements with the Government of Japan.
18. If some or all of the sums paid from the Special Account are reimbursed to the Laotian Agency, the sums so reimbursed shall be credited to the Special Account, notwithstanding the provisions of paragraph 16 above. The provisions of paragraph 17 above shall be applied to such sums.

19. For the purposes of article IV, paragraph 2, of the said Agreement, the expression "at the time such deposits are made" means "at the time such deposits are made by the Government of Japan in the Japanese bank referred to in paragraph 12 above".

#### IV. JOINT COMMISSION

20. The two Governments shall respectively appoint a representative and two alternates to the Joint Commission referred to in article VI of the said Agreement.

21. The Joint Commission shall meet at the request of the representative of either of the two Governments.

22. The Joint Commission shall be responsible for :

(1) Making recommendations to the two Governments on the following matters :

- (a) The procedure to be followed for the conclusion of Contracts;
- (b) The conditions for the approval of such Contracts by the two Governments;
- (c) The arrangements for the deposits referred to in article IV of the said Agreement;
- (d) The main points of the implementation programmes to be established.

(2) Submitting reports to the two Governments on the progress of the projects provided for in the implementation programmes.

(3) Studying any questions which may arise in the application of the said Agreement and which may be referred to it by the two Governments, and making appropriate recommendations to those Governments.

I have the honour to propose that this note and your Excellency's reply confirming your Government's acceptance of the above proposal shall be considered as constituting the agreement between the two Governments on detailed arrangements for the application of the Agreement on economic and technical co-operation, provided for in article VII of that Agreement.

I have the honour to be, etc.

S. SHIBUSAWA

II

Vientiane, 23 January 1959

Sir,

I have the honour to acknowledge receipt of your Excellency's note of today's date, the text of which is as follows :

[See note I]

I accordingly have the honour to accept, on behalf of my Government, the proposal made in Your Excellency's note and to agree that the said note and this reply shall be considered as constituting the agreement between the two Governments on detailed arrangements for the application of the Agreement on economic and technical co-operation, provided for in article VII of that Agreement.

I have the honour to be, etc.

Khamphan PANYA