

No. 5643

**UNION OF SOVIET SOCIALIST REPUBLICS
and
INDONESIA**

**Second General Agreement on economic and technical
co-operation. Signed at Bogor, on 28 February 1960**

Official texts: Russian and Indonesian.

Registered by the Union of Soviet Socialist Republics on 21 March 1961.

**UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES
et
INDONÉSIE**

**Deuxième Accord général de coopération économique et
technique. Signé à Bogor, le 28 février 1960**

Textes officiels russe et indonésien.

Enregistré par l'Union des Républiques socialistes soviétiques le 21 mars 1961.

[TRANSLATION — TRADUCTION]

No. 5643. SECOND GENERAL AGREEMENT¹ ON ECONOMIC AND TECHNICAL CO-OPERATION BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE REPUBLIC OF INDONESIA. SIGNED AT BOGOR, ON 28 FEBRUARY 1960

Considering the friendly relations existing between the Union of Soviet Socialist Republics and the Republic of Indonesia, and having regard to the experience of economic and technical co-operation during the implementation of the General Agreement of 15 September 1956, the two Governments have agreed to conclude a Second General Agreement with a view to the further advancement of the over-all development of the Indonesian economy. This Agreement is based on mutual advantage, equality, respect for sovereignty and non-interference in the domestic affairs of the Parties.

Article 1

The Government of the Union of Soviet Socialist Republics agrees to co-operate with the Government of the Republic of Indonesia in the construction of industrial and other projects, including ferrous and non-ferrous metallurgical plants, chemical plants, plants for the utilization of atomic energy for peaceful purposes, textile plants and agricultural projects, required for the over-all economic development of the Republic of Indonesia.

The number and nature of these and other plants and projects to be constructed with the assistance of the Union of Soviet Socialist Republics shall be determined at a later stage by mutual agreement between the Parties and in the light of the results of exploratory and research work to be undertaken by Soviet organizations in co-operation with Indonesian organizations.

Article 2

At the request of the Government of the Republic of Indonesia, the Soviet organizations, in co-operation with the Indonesian organizations, shall carry out exploratory and research work in connexion with the plants and projects to be constructed in the Republic of Indonesia with the assistance of the Union of Soviet Socialist Republics.

The items, scope and period for completion of the exploratory and research work and the nature of the participation of the Parties in such work shall be

¹ Came into force on 1 July 1960, the date of the exchange of the instruments of ratification at Moscow, in accordance with article 10.

specified in supplementary agreements to be concluded pursuant to this General Agreement.

On the basis of the information obtained from such exploratory and research work, the Soviet organizations shall furnish appropriate advice to the Indonesian Party.

Article 3

In addition to carrying out the exploratory and research work provided for in article 2, the Soviet organizations are prepared to undertake planning work in connexion with the plants and projects to be constructed with the assistance of the Soviet Union, to supply for such plants and projects any equipment and materials unobtainable in the Republic of Indonesia and to provide technical assistance in construction (consultations and designer's supervision), in the assembly and installation of equipment, and in bringing such plants into operation, for which purpose they shall dispatch Soviet experts and skilled workers to the Republic of Indonesia for such periods and in such numbers as may be agreed between the Parties. The Soviet organizations are also prepared to provide assistance in the training of Indonesian experts for work in the plants to be constructed with the assistance of the USSR, through training in Indonesia as well as in similar Soviet plants.

The quantity of equipment and materials to be supplied and of technical assistance to be provided in connexion with the construction of the plants and projects referred to in article 1 shall be subject, in each individual case, to agreement between the Parties and shall be laid down in supplementary agreements to be concluded pursuant to this General Agreement.

Article 4

The Soviet organizations shall deliver to the Indonesian Party the technical documents, information and licences necessary for organizing the manufacture of the relevant products in the plants and projects constructed under this General Agreement. The delivery of these documents and of the necessary licences for manufacture shall be effected without charge, save for the repayment by the Indonesian Party of the actual expenses incurred by the Soviet organizations in connexion with the preparation of the documents.

The documents and licences so delivered shall be used solely for the purpose of the manufacture of the aforementioned products within the territory of the Republic of Indonesia.

Article 5

The Government of the Union of Soviet Socialist Republics grants the Government of the Republic of Indonesia a loan of \$US250 million (two hundred and fifty million United States dollars) at 2.5 per cent interest per

annum which may be drawn upon over a period of seven years to pay for planning work to be carried out by Soviet organizations and for deliveries to be made by the USSR to Indonesia of equipment and materials necessary for the plants and projects to be constructed with the assistance of the Soviet Union under this General Agreement.

Article 6

The Government of the Republic of Indonesia shall repay those portions of the loan granted to it under article 5 which relate to each individual plant or project in equal annual instalments over a period of 12 years, beginning one year after the delivery from the USSR of the complete set of equipment and materials for the particular plant or project.

Interest on the loan shall accrue from the date on which the relevant portion of the loan is taken down, and shall be paid during the first quarter of the year following the year for which it is payable.

Article 7

The repayment of the loan and the payment of accrued interest thereon shall be effected by the Government of the Republic of Indonesia by means of deliveries of Indonesian goods to the Soviet Union and/or in pounds sterling or in another freely convertible currency by agreement between the State Bank of the USSR and the Bank of Indonesia.

At least three months before the commencement of each calendar year in which the loan is to be repaid and the interest thereon paid, the Parties shall agree on the nomenclature, prices, quantities and delivery dates of the goods to be supplied during that calendar year.

In the event of the repayment of the loan or the payment of the interest thereon being made in pounds sterling or in another freely convertible currency, the conversion of pounds sterling or the other freely convertible currency into United States dollars shall be effected at the rate of exchange quoted on the date of payment.

Article 8

For the purpose of recording transactions relating to the use and repayment of the loan and the payment of the interest accruing thereon, the State Bank of the USSR and the Bank of Indonesia shall open special loan accounts and shall together determine the technical procedure for the management of the said accounts and of settlements under the loan.

Article 9

The expenses incurred by the Soviet Party in connexion with the dispatch of Soviet experts and skilled workers to the Republic of Indonesia and with

the admission of Indonesian citizens to the USSR for industrial and technical training shall be reimbursed by the Government of the Republic of Indonesia in Indonesian rupiah through the payment of the relevant sums into a special account to be opened by the State Bank of the USSR in the Bank of Indonesia in favour of the Soviet organizations rendering such services. The balances in that account may be used for the current expenditures of the Soviet organizations in the Republic of Indonesia and also, by agreement between the State Bank of the USSR and the Bank of Indonesia, for other payments.

In the event of an alteration in the rate of exchange between the Indonesian rupiah and the United States dollar, which is at present 45 Indonesian rupiah to the United States dollar, the State Bank of the USSR and the Bank of Indonesia shall make the corresponding adjustment in the balance in the special account referred to in this article.

Article 10

The performance of the exploratory, research and planning work provided for in this General Agreement, the delivery of equipment and materials, the dispatch of Soviet experts to the Republic of Indonesia and the admission of Indonesian citizens to the USSR for training shall be effected by the Soviet organizations on the basis of contracts to be concluded with the Indonesian organizations empowered for the purpose by the Indonesian Government.

Such contracts shall specify in detail the quantities, prices, delivery periods and other conditions relating to the deliveries of equipment and materials and to the performance of services under this General Agreement.

This General Agreement shall be subject to ratification in accordance with the established procedure in each country and shall enter into force on the date of the exchange of the instruments of ratification, which shall take place at Moscow.

DONE at Bogor, on 28 February 1960, in the Russian and Indonesian languages, both texts being equally authentic.

N. KHRUSHCHEV

Chairman of the Council of Ministers
of the Union
of Soviet Socialist Republics

SUKARNO

President
of the Republic of Indonesia