

No. 5544

**YUGOSLAVIA
and
ETHIOPIA**

**Agreement for the delivery of goods on credit basis. Signed
at Belgrade, on 6 June 1959**

Official text: English.

Registered by Yugoslavia on 18 January 1961.

**YOUGOSLAVIE
et
ÉTHIOPIE**

**Accord relatif à la livraison de marchandises à crédit.
Signé à Belgrade, le 6 juin 1959**

Texte officiel anglais.

Enregistré par la Yougoslavie le 18 janvier 1961.

No. 5544. AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL PEOPLE'S REPUBLIC OF YUGOSLAVIA AND THE GOVERNMENT OF THE EMPIRE OF ETHIOPIA FOR THE DELIVERY OF GOODS ON CREDIT BASIS. SIGNED AT BELGRADE, ON 6 JUNE 1959

The Government of the Federal People's Republic of Yugoslavia and the Government of the Empire of Ethiopia,

Desiring to strengthen and intensify the friendly relations already existing between the two countries and the peoples;

Recognizing the mutual benefit that will accrue as result of a closer economic and technical co-operation between the two countries ;

Animated by the desire of the two Heads of States for promoting and fostering mutual economic relations reaffirmed during the Yugoslav state visit to Ethiopia as stated in the joint Communique;

Have agreed as follows :

Article 1

The Government of the Federal People's Republic of Yugoslavia shall make available to the Yugoslav Bank for Foreign Trade an amount corresponding to the value of 10.000.000. — US Dollars for the purpose of enabling the Ethiopian investors (hereinafter referred to as buyers) to make contracts with the Yugoslav economic organisations (hereinafter referred to as sellers) for the delivery of capital goods and incidental services on credit basis.

The two Governments have agreed, with the view to use effectively the available credit possibility within a correspondingly proper time, that the contracts between Yugoslav sellers and Ethiopian buyers have to be concluded within a period of no more than two years from the date of the signing of this Agreement.

Article 2

The credit facilities referred to in Article one shall be used mainly for the building up of projects in industry, mining, hydroelectrical and other constructions, transportation and development in agriculture.

¹ Came into force on 9 February 1960, the day of the exchange of the instruments of ratification, in accordance with article 11.

Article 3

When the amount of this credit is exhausted, the Government of the Federal People's Republic of Yugoslavia will be ready to consider any proposal of the Government of the Empire of Ethiopia for the possibility of its increase.

Article 4

The period of credit and the condition of payment shall be agreed upon in each individual contract between Yugoslav sellers and Ethiopian buyers, and shall depend on the type of goods. The repayment period shall not be extended over 8 years and shall be payable in semi-annual installments.

Credits under the present Agreement shall bear an annual interest rate of 3 per cent.

Interest shall be computed pro rata temporis on all amounts due and shall be paid each six months in the same way as the principal.

Article 5

Prices of deliveries shall be established between the authorised Ethiopian buyers and Yugoslav sellers in US Dollars.

Individual contracts between authorised Ethiopian buyers and Yugoslav sellers shall provide all conditions of payment including the amounts to be paid between the signing of contracts and delivery of commodities.

The form of authorised Ethiopian buyer shall mean any person or organisation authorised by the Minister or Vice-Minister of Finance of the Ethiopian Government to make purchases under this credit.

Article 6

Payments under the contracts to be concluded in accordance with the present Agreement shall be effected in US Dollars.

The Government of Ethiopia shall provide the Ethiopian buyers with the necessary foreign exchange to repay without difficulties the amounts due both in principal and interest from the use of the credit provided for in Article one of this Agreement.

Article 7

The State Bank of Ethiopia, Addis Ababa, shall guarantee all payments of principal and interest provided in individual contracts concluded within the provisions of this Agreement.

The Yugoslav Bank for Foreign Trade shall take care that contracts provided for in Article 1 comply with the provisions of this Agreement and to the intentions of two Governments which have led to its conclusion.

Article 8

The Yugoslav Bank for Foreign Trade, Belgrade, and the State Bank of Ethiopia, Addis Ababa, shall establish by special agreement the technical conditions necessary for the operations of the present Agreement.

Article 9

A Mixed Commission shall be established for the purpose of considering all questions in respect of implementation of the present Agreement and shall propose to both Governments the necessary measures for its normal operation.

Each Government shall appoint two delegates to the Commission which shall meet at the request of either Contracting Party at the place and on the date to be determined in time.

Article 10

The Government of the Federal People's Republic of Yugoslavia shall upon request of the Government of the Empire of Ethiopia provide experts and technical staff within its availability for projects which shall be realised within this Agreement.

Article 11

The present Agreement shall come into force on the day of the exchange of the instruments of ratification.

DONE in Beograd on the June 6th, 1959, in two copies, in the English language, both texts being equally authentic.

For the Government
of the Federal People's Republic
of Yugoslavia :

(Signed) Ljubo S. BABIĆ

For the Government
of the Empire of Ethiopia :

(Signed) Mennasse LEMMA