

No. 7134

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**SYRIAN ARAB REPUBLIC  
and  
IRAQ**

**Agreement on economic co-operation (with schedules and exchange of letters). Signed at Baghdad, on 3 November 1961**

*Official text: Arabic.*

*Registered by the Syrian Arab Republic on 14 February 1964.*

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**RÉPUBLIQUE ARABE SYRIENNE  
et  
IRAK**

**Accord de coopération économique (avec listes et échange de lettres). Signé à Bagdad, le 3 novembre 1961**

*Texte officiel arabe.*

*Enregistré par la République arabe syrienne le 14 février 1964.*

[TRANSLATION — TRADUCTION]

No. 7134. AGREEMENT<sup>1</sup> ON ECONOMIC CO-OPERATION  
BETWEEN THE REPUBLIC OF IRAQ AND THE SYRIAN  
ARAB REPUBLIC. SIGNED AT BAGHDAD, ON 3 NO-  
VEMBER 1961

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The Government of the Republic of Iraq and the Government of the Syrian Arab Republic,

Desiring to strengthen the national and natural ties between their two countries and reaffirming their resolve to bring about their countries' economic integration,

Have agreed as follows :

*Article 1*

1. The Government of the Syrian Arab Republic shall authorize the importation directly into the Syrian Arab Republic of agricultural, animal and manufactured products and natural resources of Iraqi origin, and the Government of the Republic of Iraq shall authorize the exportation of such products.

2. The Government of the Republic of Iraq shall authorize the importation directly into the Republic of Iraq of agricultural, animal and manufactured products and natural resources originating in the Syrian Arab Republic, and the Government of the Syrian Arab Republic shall authorize the exportation of such products.

3. Each Contracting Party shall afford the other Party preferential treatment in the issue of import and export licences.

*Article 2*

1. Agricultural, animal and manufactured products and natural resources originating in the territory of one Contracting Party and imported by the other Party shall be exempt from Customs duties.

2. Notwithstanding the provisions of paragraph 1 of this article :

(a) The articles and goods listed in schedule 1<sup>2</sup> to this Agreement shall be liable to full Customs duty;

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<sup>1</sup> Came into force on 20 December 1961, the date of the exchange of the instruments of ratification, in accordance with article 15.

<sup>2</sup> See p. 64 of this volume.

- (b) The articles and goods listed in schedule 2<sup>1</sup> to this Agreement shall be entitled to 25 per cent remission of Customs duty;
- (c) The articles and goods listed in schedule 3<sup>2</sup> to this Agreement shall be entitled to 50 per cent remission of Customs duty.

### *Article 3*

1. In no circumstances shall agricultural, animal or manufactured products or natural resources originating in the territory of either Contracting Party and exported to the territory of the other Party be subject to payment in the importing country of duties higher than those imposed on domestic products of the same kind and on the primary commodities of which they consist or on either of the two categories of product.

2. In no circumstances shall agricultural, animal or manufactured products or natural resources which originate in the territory of either Contracting Party and are exported to the territory of the other Party and of which there is no corresponding production in the latter territory be subject to any internal duties.

### *Article 4*

1. Every commodity entitled to exemption from or remission of Customs duties under this Agreement shall be accompanied by a certificate of origin issued by the competent authorities of each country. Manufactured products shall not be deemed to be of Iraqi or Syrian origin unless the Iraqi or Syrian primary commodities and the local costs of production entering into their manufacture account for not less than 40 per cent of the total cost of production.

2. The proportion of 40 per cent referred to in paragraph 1 of this article shall not apply in the case of the goods and articles listed in schedule 4 to this Agreement, provided that the Iraqi or Syrian primary commodities and the local costs of production entering into their manufacture account for not less than 25 per cent of the total cost of production. With the consent of the Governments of the two Contracting Parties, items may be added to or removed from the said schedule.

### *Article 5*

Either of the Contracting Parties may re-export any goods or articles exchanged under this Agreement save those which the other Contracting Party has requested should not be re-exported.

<sup>1</sup> See p. 64 of this volume.

<sup>2</sup> See p. 66 of this volume.

*Article 6*

1. The settlement of "current transactions" between individuals and bodies corporate domiciled in the Republic of Iraq and the Syrian Arab Republic shall be effected in any transferable currency agreed upon by the two Contracting Parties or, in the case of non-resident accounts, in Iraqi dinars.

2. Each Contracting Party shall permit the transfer of the currencies referred to in the foregoing paragraph to the territory of the other Contracting Party to cover payments arising out of "current transactions" between the two countries in accordance with the terms of this Agreement.

*Article 7*

1. The provisions of the Payments Agreement between the Republic of Iraq and the United Arab Republic of 11 October 1958 shall, in so far as relates to the Syrian Arab Republic, be deemed to be in force until the date on which effect is given to the present Agreement.

2. The account of the Syrian Central Bank opened with the Iraqi Central Bank under the Payments Agreement referred to in paragraph 1 above shall remain open for a period of six months in order to liquidate current transactions covered by the aforesaid Payments Agreement. Any balance outstanding in the account shall be liquidated by the debtor Party by the export of goods whose importation is authorized by the other Party. If any balance remains on the expiry of the said period of six months, it shall be liquidated forthwith in a transferable currency agreed upon by the two Parties.

*Article 8*

1. Each Contracting Party shall exempt from transit duties and charges goods in transit through its territory from or to the territory of the other Party.

2. The provisions of the foregoing paragraph shall not apply to charges which have been or may hereafter be fixed for the movement of petroleum overland by pipeline.

*Article 9*

1. The competent authorities in the territories of the Contracting Parties shall facilitate in every possible way the use of the ports of the Syrian Arab Republic in transit trade, whether through the use of warehouses in the free zones or through the installation of special facilities for the Republic of Iraq and its nationals in those zones.

2. Goods transport vehicles belonging to one Contracting Party shall be afforded the necessary facilities to enter and cross the territory of the other

Party to the extent permitted by the regulations in force in the two countries, provided that they do not engage in internal transport operations.

3. Notwithstanding the provisions of the regulations in force in the territories of the two Contracting Parties, goods transport vehicles registered in the territory of one Party shall be permitted to enter the territory of the other Party laden or empty, to reach their destination and to return laden or empty; they shall also be permitted to cross that territory, and to return from their destination to their country of registration, laden or empty. Iraqi transport vehicles bound for localities in the Syrian Arab Republic and Lebanon shall also be permitted to enter the territory of the Syrian Arab Republic laden or empty in order to pick up their consignments at the ports aforementioned.

4. Goods of foreign origin entering Syrian ports and destined for the Republic of Iraq and goods consigned thereto from Lebanon and off-loaded in Syrian territory shall be carried in Iraqi and Syrian vehicles in the following proportions :

50 per cent in vehicles registered in the Republic of Iraq;

50 per cent in vehicles registered in the Syrian Arab Republic.

This proportion shall be checked once every four months and for this purpose registers shall be kept at all Customs posts on the Iraqi and Syrian frontiers.

#### *Article 10*

In order to ensure the proper implementation of this Agreement and the application and extension of the mutual benefits for which it provides, the Contracting Parties agree to establish a Joint Iraqi-Syrian Expert Commission which shall meet not less than once every six months or at the request of either Contracting Party and shall have the following functions :

1. To overcome any difficulties that may arise in connexion with the application of this Agreement and may hamper the development of trade between the two countries;
2. To make proposals for the modification of this Agreement with a view to increasing trade and developing economic relations between the two countries;
3. To review the schedules attached to this Agreement, any modifications thereof to enter into force with the agreement of the Governments of both Contracting Parties;

4. To study industrial co-ordination with a view to the economic integration of the two countries.

#### *Article 11*

Each Contracting Party shall afford the other the necessary facilities for the installation of permanent and temporary exhibitions to display its products, to the extent permitted by the laws and regulations in force.

#### *Article 12*

The provisions of the Trade Agreement between the Government of the Republic of Iraq and the Government of the United Arab Republic of 11 October 1958 shall remain in force with respect to commercial exchanges between the two Contracting Parties until the entry into force of the present Agreement.

#### *Article 13*

The Contracting Parties have agreed :

1. To facilitate the transfer of capital between the two countries within the framework of the regulations and instructions in force in each country and in accordance with arrangements to be agreed upon between the competent monetary authorities in the two countries;
2. To permit the free movement of persons between the two countries without visa in accordance with arrangements to be agreed upon between the competent authorities in the two countries;
3. To grant freedom of residence and freedom to take up work and employment and to engage in economic activity, in accordance with arrangements to be agreed upon between the Governments of the two Contracting Parties.

#### *Article 14*

The two Governments shall encourage the establishment of joint operating enterprises which shall pursue their activities in all economic fields and in whose capitalization both countries shall share.

#### *Article 15*

This Agreement shall enter into force on the date of the exchange of the instruments of ratification. It shall remain in force for a period of two years and shall be automatically renewed thereafter for further like periods unless either Contracting Party notifies the other in writing of its desire to terminate or to amend the Agreement not less than three months before the expiry of each period.

DONE at Baghdad, on 3 November 1961, in two original copies, each in the Arabic language.

For the Government  
of the Syrian Arab Republic :

(Signed) Dr. Awad BARAKAT  
Minister of Economy and Industry

For the Government  
of the Republic of Iraq :

(Signed) Nazem EL-ZAHAWI  
Minister of Trade

## SCHEDULE 1

### GOODS LIABLE TO FULL CUSTOMS DUTY

1. Cigarette paper and toilet paper.
2. Paper bags for packing cement.
3. Iron and steel springs.
4. Plastic pipe and footwear.
5. Metal furniture, not including the goods specified under item 11 in schedule 2.
6. Alcoholic beverages of all kinds.
7. Salt.
8. Sugar.

## SCHEDULE 2

### GOODS ENTITLED TO 25 PER CENT REMISSION OF CUSTOMS DUTY

1. Textile fabrics of artificial silk fibre or thread, mixed or unmixed, including embroidered or figured fabrics, with the exception of the goods specified under items 11, 12 and 13 in schedule 3.
2. Wool carpets and rugs of all kinds.
3. Cotton yarn, not including No. 36.
4. Cotton textile fabrics, unmixed or mixed with any other material, including braided, with the exception of the goods specified under item 10 in schedule 3.
5. Felt (damp-resistant).
6. Knitted goods of all textile materials (except natural silk), including outer- and under-garments, stocking and gloves.
7. Garments and under-garments and parts thereof, of all textile materials.
8. Sewn goods, made up, including handkerchiefs, serviettes, towels, corsets, tents and kitbags.
9. Leather footwear of all kinds.
10. Concrete and ferro-concrete items of all kinds.
11. Iron and steel articles, including furniture, with the exception of the articles specified under items 15 and 16 in schedule 3 and item 5 in schedule 1.
12. Locks, padlocks, nails, metal gauze and netting, screws and pins.
13. Refrigerators and washing machines.

## SCHEDULE 3

## GOODS ENTITLED TO 50 PER CENT REMISSION OF CUSTOMS DUTY

1. Cigarettes.
2. Vegetable oils of all kinds, including sesame oil (liquid or hydrogenated).
3. Sugar confectionery and chocolate.
4. Varnish, whether or not mixed with colouring matter, and oil paints and pigments.
5. Common soap, made of olive oil pure or mixed with bay oil (" Abu Heil " soap).
6. Essences, perfume bases, perfumery and cosmetics.
7. Leather of all kinds, bronzed, gilded, silvered, coloured or dyed, prepared or varnished, decorated, embossed, etc.
8. Bags and travelling-bags, of all materials.
9. Exercise books, note books and similar paper products.
10. All textile fabrics of natural silk, unmixed or mixed with other textile materials of all kinds, including embroidery or knitted or braided work.
11. Lace, of artificial silk, scarves and ties of artificial or natural silk.
12. Artificial silk fabric, of jacquard type.
13. Textile fabrics of artificial silk thread, unmixed or mixed, if printed, decorated or jacquard, irrespective of weight per square metre.
14. Cotton embroidery and ribbons and cotton-covered rubber thread.
15. Iron and steel structures and tanks and cisterns for fuel and water.
16. Industrial and agricultural machinery and equipment, including scales and chains of iron and steel.
17. Electric wire and cable.

## SCHEDULE 4

## GOODS DEEMED TO BE PRODUCED IN THE TERRITORY OF ONE OF THE CONTRACTING PARTIES IF THE PRIMARY COMMODITIES AND LOCAL PRODUCTION COSTS ENTERING INTO THEIR MANUFACTURE ACCOUNT FOR NOT LESS THAN 25 PER CENT OF THE TOTAL COST OF PRODUCTION

1. Toilet paper.
2. Paper bags for packing cement.
3. Knitted goods (dresses and clothes, made up).
4. Lighting fixtures (chandeliers, etc.).
5. Electric wire and cable.
6. Refrigerators and washing machines.



## EXCHANGE OF LETTERS

## I

Baghdad, 3 November 1961

Dr. Awad Barakat  
Minister of Economy and Industry  
of the Syrian Arab Republic

With reference to the negotiations leading up to the signing of the Agreement on Economic Co-operation between our two countries of today's date,<sup>1</sup> I wish to point out that the provisions of article 4 of the aforementioned Agreement do not cover goods and articles in the manufacture of which articles of French origin are used.

I shall be grateful if you will confirm that the foregoing correctly expresses the understanding reached between our two delegations.

Accept, Sir, the assurances of my highest consideration.

(Signed) Nazem EL-ZAHAWI  
Minister of Trade of the Republic of Iraq

## II

Baghdad, 3 November 1961

Mr. Nazem el-Zahawi  
Minister of Trade  
of the Republic of Iraq

I have the honour to acknowledge the receipt of your letter of today's date in the following terms :

[See letter I]

I confirm that the foregoing correctly expresses the understanding reached between our two delegations.

Accept, Sir, the assurances of my highest consideration.

(Signed) Dr. Awad BARAKAT  
Minister of Economy and Industry  
of the Syrian Arab Republic

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<sup>1</sup> See p. 54 of this volume.