

No. 7177

SYRIAN ARAB REPUBLIC
and
SAUDI ARABIA

Agreement on economic co-operation (with schedules and exchange of letters). Signed at Riyadh, on 16 November 1961

Official text: Arabic.

Registered by the Syrian Arab Republic on 24 March 1964.

RÉPUBLIQUE ARABE SYRIENNE
et
ARABIE SAOUDITE

Accord de coopération économique (avec listes et échange de lettres). Signé à Riad, le 16 novembre 1961

Texte officiel arabe.

Enregistré par la République arabe syrienne le 24 mars 1964.

[TRANSLATION — TRADUCTION]

No. 7177. AGREEMENT ON ECONOMIC CO-OPERATION¹
BETWEEN THE GOVERNMENT OF THE SYRIAN ARAB
REPUBLIC AND THE GOVERNMENT OF THE KING-
DOM OF SAUDI ARABIA. DONE AT RIYADH, ON
16 NOVEMBER 1961

The Government of the Syrian Arab Republic and the Government of the Kingdom of Saudi Arabia,

Desiring to strengthen the national and natural ties between their two countries and reaffirming their resolve to bring about closer economic co-operation between them,

Have agreed as follows :

Article 1

Each of the Contracting Parties will do everything in its power to achieve the highest degree of economic co-operation and development in economic relations between the two countries, in accordance with the provisions of this Agreement and the regulations in force in the two countries.

Article 2

1. The Government of the Kingdom of Saudi Arabia shall authorize the importation directly into the Kingdom of Saudi Arabia 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 within the limits of its economic possibilities.

2. The Government of the Syrian Arab Republic shall authorize the importation directly into the Republic of agricultural, animal and manufactured products and natural resources originating in the Kingdom of Saudi Arabia, and the Government of the Kingdom of Saudi Arabia shall authorize the exportation of such products within the limits of its economic possibilities.

Article 3

1. Agricultural and animal products originating in the territory of one Contracting Party and imported directly into the territory of the other Party shall be exempt from Customs duties and from import and export licence requirements.

¹ Came into force on 10 November 1962, the date of the exchange of the instruments of ratification, in accordance with article 13.

2. The Government of the Kingdom of Saudi Arabia shall exempt from Customs duty and from the import licence requirement the manufactured products, listed in schedule 1¹ to this Agreement, which originate in the Syrian Arab Republic and are imported directly into the Kingdom of Saudi Arabia.

3. The Government of the Kingdom of Saudi Arabia shall exempt from the import licence requirement the manufactured products listed in schedule 2¹ to this Agreement which originate in the Syrian Arab Republic and are imported directly into the Kingdom of Saudi Arabia, and shall remit two-thirds of the Customs duty payable thereon.

4. The Government of the Syrian Arab Republic shall exempt from Customs duty and from the import licence requirement all manufactured products originating in the Kingdom of Saudi Arabia and imported directly into the Syrian Arab Republic.

5. With the consent of the Governments of the two Contracting Parties, items may be added to or removed from schedules 1 and 2 annexed hereto.

Article 4

Every commodity entitled to exemption from duty or to preferential treatment under this Agreement shall be accompanied by a certificate of origin duly authenticated by the competent Governmental authorities of each country. Manufactured products shall not be deemed to be of Syrian or Saudi origin unless the Syrian or Saudi 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.

Article 5

Each Contracting Party shall accord the other most-favoured-nation treatment, in particular in matters concerning importation, exportation, transit, Customs duties and import and exchange control.

Article 6

Each Contracting Party shall exempt from transit duties and charges and from any other duties connected with transit goods, means of transport and their drivers passing through its territory and coming from or destined for the territory of the other Party.

¹ See p. 194 of this volume.

Article 7

The most-favoured-nation treatment referred to in this Agreement shall not apply :

- (1) To privileges which have been or may hereafter be granted by either Contracting Party with a view to facilitating frontier traffic;
- (2) To benefits resulting from any Customs union which may be concluded by either Contracting Party.

Article 8

1. The settlement of all current transactions between the Governments of the two Contracting Parties and between individuals and bodies corporate domiciled in the Syrian Arab Republic and the Kingdom of Saudi Arabia shall be effected in United States dollars, pounds sterling or any transferable currency agreed upon by the Contracting Parties.

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 provisions of this Agreement.

Article 9

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 Syrian-Saudi 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 study industrial co-ordination with a view to achieving economic co-operation between the two countries.

Article 10

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

Article 11

The Contracting Parties have agreed :

- (1) To grant freedom to transfer capital between the two countries, including income from property belonging to nationals of either State in the territory of the other, in accordance with the provisions of article 8 of this Agreement. The detailed arrangements in this matter shall be drawn up by agreement between the Syrian Central Bank and the Saudi Arabian Monetary Institute.
- (2) To facilitate the movement of persons between the two countries in accordance with the relevant regulations and instructions in force in each country.
- (3) To grant to the nationals of the other Party the necessary facilities to engage in economic activity in accordance with arrangements which shall be agreed upon between the Governments of the two Contracting Parties and which shall not conflict with the regulations and laws in force in the territory of each Party.

Article 12

The two Governments shall encourage the establishment of joint operating enterprises which shall pursue their activities in all economic fields of interest to both countries and in whose capitalization both countries shall share in accordance with the regulations and laws in force in each.

Article 13

This Agreement shall enter into force on the date of the exchange of the instruments of ratification, which shall take place within one month following the date of signature of the Agreement. It shall cease to have effect one year after the date of its entry into force and may be renewed for further periods of one year if the Contracting Parties so agree.

This Agreement shall from the date of its entry into force supersede the Trade Agreement concluded on 30 January 1961 between the Government of the United Arab Republic (Northern Province) and the Government of the Kingdom of Saudi Arabia.

DONE at Riyadh on 8/6/1381, corresponding to 16 November 1961, in two original copies, each in the Arabic language.

For the Government
of the Syrian Arab Republic :
(Signed) Awad BARAKAT

For the Government
of the Kingdom of Saudi Arabia :
(Signed) Nawaf BEN ABDEL AZIZ

SCHEDULE 1

SYRIAN INDUSTRIAL PRODUCTS EXEMPT FROM CUSTOMS DUTIES

- | | |
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| <ol style="list-style-type: none"> 1. Textile fabrics of artificial silk, including crepe fabric and artificial silk waste and fibres, unmixed or mixed (i.e. containing 20 per cent or more of artificial silk or its fibres or consisting wholly thereof), unbleached, dyed, printed, decorated, figured, embroidered or jacquard. 2. Textile fabrics of cotton, unmixed or mixed (i.e. containing 20 per cent or more of cotton), unbleached, bleached, dyed, printed, decorated, figured, embroidered or jacquard. 3. Knitted goods of all kinds and of all textile materials, including undergarments and stockings. 4. Preparations of vegetables, edible plants or fruits or parts thereof, preserved. 5. Chocolate. 6. Wood bark. 7. Cigarette paper. 8. Millstones. 9. Cotton-wool. | <ol style="list-style-type: none"> 10. Beet-pulp, oil-cake and fodder. 11. Medicaments and pharmaceutical preparations. 12. Aqueous distillate of flowers, distillate of rose. 13. Wax and other candles. 14. Glues of animal origin. 15. Printing type. 16. Mother-of-pearl articles. 17. Agricultural machinery. 18. Industrial machinery. 19. Newsprint paper. 20. Cordage (ropes and cables). 21. Iron and steel springs. 22. Poultry and animal incubators. 23. Wool yarn. 24. Fishing lines, nets and hooks. 25. Vegetable oils of all kinds, including sesame oil (liquid or hydrogenated). 26. Electric wire and cable. 27. Plywood panels, wood known as masonite, compressed wood. |
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SCHEDULE 2

SYRIAN INDUSTRIAL PRODUCTS LIABLE TO CUSTOMS DUTY EQUIVALENT TO ONE-THIRD OF THE REGULAR TARIFF

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|--|---|
| <ol style="list-style-type: none"> 1. Starch. 2. Sugar confectionery. 3. Spaghetti, noodles, etc., except macaroni of all kinds. 4. Common soap, in cakes or powdered. 5. Matches of all kinds. 6. Tanned hides. 7. Leather of all kinds, bronzed, gilded, silvered or coloured. 8. Leather, dyed, prepared or oiled. 9. Leather articles of all kinds. | <ol style="list-style-type: none"> 10. Products of wood inlaid with any material (mosaic). 11. Paperboard, unprocessed, in rolls or sheets. 12. Trimmings of silk, artificial silk or cotton. 13. Cotton. 14. Rugs, wool or cotton. 15. Garments and parts thereof, of all textile materials. |
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| 16. Under-garments and parts thereof, of all kinds and of all textile materials. | 23. Ordinary glass table- and toilet-ware, except crystal and semi-crystal. |
| 17. All other sewn or made-up articles of Syrian fabrics, including blankets, serviettes and tents. | 24. Metal stoppers and caps for carboys, bottles and other containers. |
| 18. Handkerchiefs, kerchiefs and neckerchiefs, of all textile materials. | 25. Glass mirrors (except crystal), unframed. |
| 19. Glass and crystal-glass, in sheets or plate, of all kinds. | 26. Yeast and leavens. |
| 20. Articles of glass and crystal-glass blown or pressed, especially for household use. | 27. Glazed paper. |
| 21. Carboys, bottles and flasks of all kinds. | 28. Artificial silk thread. |
| 22. Laboratory glassware. | 29. Yarn of artificial silk fibre (staple fibre). |
| | 30. Cotton-covered rubber thread. |

EXCHANGE OF LETTERS

I

SYRIAN ARAB REPUBLIC

To H.R.H. the Chairman of the Delegation
of the Kingdom of Saudi Arabia

Your Royal Highness,

The Government of the Syrian Arab Republic wishes to defer payment of the first annual instalment on the loan of \$16 million, which falls due in 1961. The Syrian Government will repay the loan in question, granted under the Loan Agreement concluded on 23 Rabi' el-Awwal 1375, corresponding to 9 November 1955, in ten annual instalments beginning in 1963, without reference to the Trade Agreement referred to in article 5 of the said Loan Agreement.

Accept, etc.

Done on 8/6/1381, corresponding to 16 November 1961.

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

II

KINGDOM OF SAUDI ARABIA
MINISTRY OF FINANCE AND NATIONAL ECONOMY

To the Chairman of the Syrian Delegation

Sir,

I wish to acknowledge the receipt of your letter dated 8/6/1381, corresponding to 16 November 1961, in the following terms :

[See letter I]

I wish to inform you that the Government of the Kingdom of Saudi Arabia is in agreement with the terms of the above letter.

Accept, etc.

Done on 8/6/1381, corresponding to 16 November 1961.

(Signed) Nawaf BEN ABDEL AZIZ
Minister of Finance and National Economy

III

KINGDOM OF SAUDI ARABIA
MINISTRY OF FINANCE AND NATIONAL ECONOMY

To the Minister of Economy
of the Syrian Arab Republic

Sir,

With reference to article 3, paragraph 1, of the Trade Agreement concluded this day¹ between the Syrian Arab Republic and the Kingdom of Saudi Arabia, I wish to point out that agricultural and animal products of Syrian origin are understood to comprise the products listed in the attached schedule and that these categories of products shall alone enjoy exemption from Saudi Customs duties.

Accept, etc.

8/6/1381 and 16 November 1961.

(Signed) Nawaf BEN ABDEL AZIZ
Minister of Finance and National Economy

¹ See p. 186 of this volume.

SCHEDULE OF AGRICULTURAL AND ANIMAL PRODUCTS AND NATURAL RESOURCES OF
THE SYRIAN ARAB REPUBLIC

Horses, mules, asses and their young.	Foliage, leaves, grasses and mosses suitable for bouquets or ornamental purposes, even if tied in bouquets or wreaths.
Bovine cattle, buffaloes and their young.	Mushrooms, fresh or dried, and truffles.
Sheep, goats and their young.	Olives, fresh.
Poultry and game birds, live.	Olive oil.
Bees.	Olives, salted.
Camels and their young.	Tomatoes.
Animals specially imported to improve the race.	Onions and garlic.
Live animals not elsewhere specified or included.	Edible roots and tubers :
Meat, fresh, chilled or frozen.	(a) Potatoes;
Poultry and game birds, killed.	(b) Seed potatoes;
Meat, salted or prepared.	(c) Other.
Other meat not elsewhere specified or included.	Other edible vegetables and plants, fresh :
Fish, fresh and preserved fresh.	(a) Asparagus and artichokes;
Fish, salted, dried or smoked.	(b) Cauliflower and cabbage;
Crustacea and molluscs, fresh.	(c) Lettuce;
Milk, fresh or curdled.	(d) Kidney beans, broad beans, peas and other pulses;
Cream, fresh.	(e) Cucumbers, marrows, squash, gherkins, melons and water melons;
Butter, fresh or salted, even melted (boiled).	(f) Other edible vegetables and plants not elsewhere specified or included.
Eggs.	Dried Leguminous vegetables, shelled :
Cheese, white, of all kinds.	(a) Kidney beans, broad beans, peas;
Honey.	(b) Lentils;
Animal products, inedible, such as guts, stomachs and bladders, fresh, salted or dried.	(c) Vetches;
Tendons, parings, and waste of hides for the manufacture of glue, animal blood.	(d) Other pulses.
Skins and other parts of birds, unworked.	Natural molasses and dates, even if stuffed.
Bones, horns, hooves, nails and beaks.	All fruits, fresh or dried.
Ivory, mother-of-pearl and coral, unworked.	Grape molasses.
Sponges.	Cereals :
Bulbs, tubers, corms, roots, flowering or foliage plants.	(a) Wheat;
Cuttings, slips and vine plants.	(b) Barley;
Woodland, ornamental and fruit plants.	(c) Millet;
Cut flowers and flower buds suitable for bouquets or ornamental purposes.	(d) Maize;
	(e) Rice meal, flour, grits;
	(f) Other cereals.
	Oil seeds and oleaginous fruit :
	(a) Sesame;
	(b) Aniseed;
	(c) Cotton seeds;

- (d) Other.
Other oil seeds and oleaginous fruit :
- (a) Lettuce seed, spinach seed, turnips, beets, cucumbers, melons, radishes, onions, cabbages, peppercorns and parsley;
- (b) Other.
- Industrial and medical plants, except tobacco and tumbac :
- (a) Roots, flowers, grasses, foliage, bark, mosses, and seeds of all kinds, used only in medicine, not elsewhere specified or included;
- (b) Other.
- Plants and parts of plants, seeds and grasses not elsewhere specified or included :
- (a) Thyme;
- (b) Other.
- Straw and forage :
- (a) Cereal husks;
- (b) Forage, fresh or dried, and pulse pods;
- (c) Beets and edible roots;
- (d) Other.
- Plants and parts of plants, fruit, pods, berries, nuts, and seeds suitable for use in dyeing or tanning, even if ground :
- (a) Woods for use in dyeing (Camp-eachy wood, yellow and red, sumac wood, etc.) in chips, shavings or powder, roots, lichens, leaves, berries, grasses and stems for use in dyeing;
- (b) Bark for use in tanning, sumac bark, leaves and stems;
- (c) Roots, grasses, leaves, flowers, berries, seeds and fruit for use in tanning;
- (d) Gall nuts, valonia berries, ground or unground, myrobalans;
- (e) Henna leaves or powder.
- Natural gums, resins and balsams :
- (a) Gum tragacanth and gum Arabic;
- (b) Natural balsams.
- Vegetable materials used for making baskets and plaited rugs.
- Hard seeds, pips, shells and nuts for carving.
- Vegetable materials used as stuffing (kapok, vegetable hair, sea-wrack and the like), even in hanks.
- Vegetable materials used in brushes or brooms, even in hanks, raw, bleached or dyed.
- Other raw vegetable materials not elsewhere specified or included.
- Chalks and earth colours, crude :
- (a) Ground chalks for use in construction;
- (b) Earth colours.
- Sulphur.
- Emery and pumice stone and the like, even if crushed.
- Marble, alabaster and granite, unworked.
- Other unworked monumental or building stone.
- Gypsum.
- Lime.
- Pottery, broken.
- Mineral substances not elsewhere specified or included :
- (a) Talc, industrial;
- (b) Talcs, other;
- (c) Asphalt, natural, for road-surfacing;
- (d) Other.
- Fuel wood, in logs, billets, twigs and faggots, and wood waste.
- Roundwood, in the rough, even peeled or roughly trimmed with the axe.
- Hides, undressed, silkworm cocoons, and wool and animal hair, unworked.
- Textile fibres.
- Cotton, flax and hemp.
- Wood charcoal, even powdered or in briquettes.
- Rock salt, of all kinds.

IV

SYRIAN ARAB REPUBLIC

To H.R.H. the Minister of Finance
and National Economy

Your Royal Highness,

With reference to the Trade Agreement signed this day by our two delegations, I wish to acknowledge the receipt of your letter dated 8/6/1381, corresponding to 16 November 1961, in the following terms :

[*See letter III*]

I wish hereby to confirm your understanding as indicated above.

Accept, etc.

8/6/1381 and 16/11/1961.

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

V

SYRIAN ARAB REPUBLIC

To H.R.H. the Chairman of the Delegation
of the Kingdom of Saudi Arabia

Your Royal Highness,

With reference to the Agreement on Economic Co-operation signed this day between our two Governments, I am happy to inform you that the Government of the Syrian Arab Republic has given the fullest attention to the matter of the Saudi El-Ahli Commercial Bank in Damascus and will restore the said Bank to the status it enjoyed prior to 20 July 1961.

Accept, etc.

Done on 8/6/1381, corresponding to 16 November 1961.

(*Signed*) Dr. Awad BARAKAT
Minister of Economy and Industry
Chairman of the Syrian Arab Economic Delegation

VI

KINGDOM OF SAUDI ARABIA
MINISTRY OF FINANCE AND NATIONAL ECONOMY

To the Chairman of the Syrian Delegation

Sir,

I wish to acknowledge the receipt of your letter dated 8/6/1381, corresponding to 16 November 1961, in the following terms :

[*See letter V*]

I wish to inform you that the Government of the Kingdom of Saudi Arabia is in agreement with the terms of the above letter.

Accept, etc.

Done on 8/6/1381, corresponding to 16 November 1961.

(*Signed*) Nawaf BEN ABDEL AZIZ
Minister of Finance and National Economy
