

No. 8818

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**UNION OF SOVIET SOCIALIST REPUBLICS  
and  
YUGOSLAVIA**

**Agreement on economic and technical assistance in the construction and expansion of ferrous and non-ferrous metallurgy and power engineering enterprises and other industrial facilities in the Socialist Federal Republic of Yugoslavia (with annex). Signed at Belgrade, on 29 August 1966**

*Official texts: Russian and Serbo-Croat.*

*Registered by the Union of Soviet Socialist Republics on 27 October 1967.*

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**UNION DES RÉPUBLIQUES SOCIALISTES  
SOVIÉTIQUES  
et  
YUGOSLAVIE**

**Accord relatif à une assistance économique et technique pour la construction et l'expansion d'entreprises métallurgiques (métaux ferreux et non ferreux) et de production d'énergie et d'autres installations industrielles en République fédérative socialiste de Yougoslavie (avec annexe). Signé à Belgrade, le 29 août 1966**

*Textes officiels russe et serbo-croate.*

*Enregistré par l'Union des Républiques socialistes soviétiques le 27 octobre 1967.*

[TRANSLATION — TRADUCTION]

No. 8818. AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE GOVERNMENT OF THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA ON ECONOMIC AND TECHNICAL ASSISTANCE IN THE CONSTRUCTION AND EXPANSION OF FERROUS AND NON-FERROUS METALLURGY AND POWER ENGINEERING ENTERPRISES AND OTHER INDUSTRIAL FACILITIES IN THE SOCIALIST FEDERAL REPUBLIC OF YUGOSLAVIA. SIGNED AT BELGRADE, ON 29 AUGUST 1966

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The Government of the Union of Soviet Socialist Republics and the Government of the Socialist Federal Republic of Yugoslavia,

Guided by relations of friendship and fraternal mutual assistance,

Seeking further to develop and strengthen economic and technical cooperation between the two countries, and

Bearing in mind the provisions of the Soviet-Yugoslav Protocol of 7 June 1965, concerning negotiations on economic questions,

Have agreed as follows :

*Article 1*

The Government of the Union of Soviet Socialist Republics shall ensure that during the period 1966-1971 Soviet organizations provide economic and technical assistance to Yugoslav organizations in the construction and expansion of ferrous and non-ferrous metallurgy and power engineering enterprises and other industrial facilities in accordance with the annex to this Agreement.

*Article 2*

The technical assistance provided for in article 1 of this Agreement shall be rendered by the competent Soviet organizations by :

— Carrying out planning work ;

— Delivering to the Socialist Federal Republic of Yugoslavia equipment

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<sup>1</sup> Came into force on 10 April 1967, the date of the exchange of the instruments of ratification at Moscow, in accordance with article 11.

- and materials produced in the Soviet Union which are required for the construction and expansion of enterprises and facilities, together with machinery for construction work ;
- Seconding Soviet specialists to the Socialist Federal Republic of Yugoslavia to provide technical assistance in construction (designer's supervision and consultations), in the assembly and installation of equipment delivered from the USSR and in bringing such equipment into operation ;
  - Affording Yugoslav specialists an opportunity to receive appropriate industrial and technical training at Soviet enterprises and to engage in consultations in connexion with the technical assistance provided for by this Agreement.

### Article 3

The Government of the Union of Soviet Socialist Republics shall grant the Government of the Socialist Federal Republic of Yugoslavia a loan of up to \$US 160 million of account at 2 per cent interest *per annum* to pay for planning work, for deliveries from the USSR of equipment required for the construction and expansion of the enterprises and facilities provided for by this Agreement, and for machinery for construction work.

Such portion of the loan as is used to pay for planning work and for deliveries from the USSR of equipment required for the construction and expansion of enterprises and facilities shall be repaid by the Yugoslav Party over a period of ten years in equal annual instalments, payable not later than 15 December of each year beginning with the year following the year in which delivery of the complete set of equipment for each individual enterprise and facility is completed.

Such portion of the loan as is used to pay for deliveries of machinery for construction work shall be repaid by the Yugoslav Party over a period of five years in equal annual instalments, beginning with the year following the year in which each consignment of the said machinery is delivered.

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. The date on which the loan is taken down shall be deemed to be the date of the bill of lading or the date of the stamp of the frontier station of the supplying country on the railway way bill, and for planning work the date shall be deemed to be the date of the account.

The date of the completion of delivery of the complete set of equipment and materials for each enterprise and facility shall be attested by a letter from the Soviet supplying organization which shall be sent to the Yugoslav

purchasing organization, enclosing the account and bill of lading or railway way bill for the last delivery for each enterprise and facility, as stipulated in the contracts.

The Yugoslav purchasing organization shall confirm the completion of deliveries in writing within ten days after the date of receipt of the above-mentioned letter from the Soviet supplying organization.

If the cost of planning work and actual deliveries of equipment and machinery exceeds the amount of the loan to be granted in accordance with this article, namely \$US 160 million of account, the excess shall be paid by the Yugoslav Party in accordance with the Soviet-Yugoslav Trade<sup>1</sup> and Payments<sup>2</sup> Agreements now in force.

#### *Article 4*

The repayment of the loan and the payment of accrued interest thereon shall be effected by the Yugoslav Party by means of deliveries of goods to the USSR under the Soviet-Yugoslav Trade Agreement, which shall remain valid during the period of repayment of the loan.

Payments in repayment of the loan and in respect of accrued interest thereon shall be effected by entering the appropriate amounts in the special accounts in United States dollars as the currency of account opened by the Banks of the two Parties in accordance with the Soviet-Yugoslav Payments Agreement of 5 January 1955 or by such other method as may be provided for in a similar agreement between the Parties during the period of validity of this Agreement.

The amounts received in the above-mentioned accounts in repayment of the loan and in payment of accrued interest shall be taken into account by the Parties in reaching agreement on the schedules and quantities of reciprocal deliveries of goods for the calendar year in question.

#### *Article 5*

The number, specialities, and length of stay of the Soviet specialists seconded to the Socialist Federal Republic of Yugoslavia to provide technical assistance and of the Yugoslav specialists visiting the USSR for industrial and technical training under this Agreement shall be determined by agreement between the appropriate organizations of the Parties, and the secondment and visits in question shall take place under the conditions specified in the Soviet-Yugoslav Agreements of 29 April 1964 " on conditions for the secondment of Soviet specialists to the Socialist Federal Republic of Yugoslavia and of Yugoslav specialists to the USSR to provide technical assistance

<sup>1</sup> United Nations, *Treaty Series*, Vol. 240, p. 207.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 240, p. 225.

and other services” and “on conditions for the industrial and technical training of Soviet and Yugoslav specialists and workers”.

The number and length of stay of Yugoslav specialists visiting the USSR for the purpose of engaging in consultations, obtaining expert advice and orienting themselves in matters relating to the construction and expansion of the ferrous and non-ferrous metallurgy and power engineering enterprises and other industrial facilities provided for in this Agreement shall be determined by agreement between the appropriate organizations of the Parties. The volume of expenditure by Soviet organizations in connexion with visits by Yugoslav specialists shall be determined on the basis of the rates established by the Soviet-Yugoslav Agreement of 29 April 1964 “on conditions for the secondment of Soviet specialists to the Socialist Federal Republic of Yugoslavia and of Yugoslav specialists to the USSR to provide technical assistance and other services”, taking into account the qualifications of the Soviet specialists and the amount of time spent by them on consultations, expert advice and orientation.

#### *Article 6*

Payment for material delivered from the USSR to the Socialist Federal Republic of Yugoslavia shall be effected in accordance with the Soviet-Yugoslav Trade and Payments Agreements now in force or with any other similar agreement between the Parties which is in force during the period of validity of this Agreement.

#### *Article 7*

The State Bank of the USSR or, on its instructions, the Foreign Trade Bank of the USSR and the National Bank of Yugoslavia or, on its instructions, the appropriate Yugoslav commercial bank shall together determine the technical procedure for the management of the accounts and settlements connected with the use and repayment of the loan granted under this Agreement and with the accrual and payment of interest.

#### *Article 8*

Such technical documents as may be received by the Yugoslav Party under this Agreement shall be used solely for purposes of the manufacture of the products in question within the territory of the Socialist Federal Republic of Yugoslavia and may not be transmitted to other countries or to foreign individuals or bodies corporate without the agreement of the Soviet organizations.

*Article 9*

In application of this Agreement, the competent Soviet and Yugoslav organizations shall conclude contracts with each other specifying the scope and period for completion of planning work, of the transmittal of technical documents and of deliveries of equipment and materials, the number of Soviet specialists to be seconded to the Socialist Federal Republic of Yugoslavia, their specialities and the length of their stay, the number, specialities and length of stay in the USSR of Yugoslav specialists, and the conditions relating to guarantees and other detailed conditions required for the fulfilment of the mutual obligations of the Parties under this Agreement. The prices for all deliveries mentioned in the contracts shall be established on the basis of competitive prices on the world market.

Contracts for deliveries of equipment shall be concluded between the Soviet and Yugoslav organizations not later than 1 April of the year preceding the year of delivery.

*Article 10*

Any differences of opinion arising in the interpretation or application of this Agreement shall be settled through direct negotiations between representatives of the Contracting Parties.

*Article 11*

This Agreement is subject to ratification but shall be applied provisionally as from the date of its signature. The Agreement shall enter into force definitively on the date of the exchange of the instruments of ratification, which shall take place at Moscow as soon as possible.

DONE at Belgrade, on 29 August 1966, in duplicate in the Russian and Serbo-Croat languages, both text being equally authentic.

For the Government  
of the Union of Soviet  
Socialist Republics :

SKACHKOV

For the Government  
of the Socialist Federal  
Republic of Yugoslavia :

K. GLIGOROV

## ANNEX TO THE SOVIET-YUGOSLAV AGREEMENT OF 29 AUGUST 1966

## LIST OF ENTERPRISES AND INDUSTRIAL FACILITIES TO BE CONSTRUCTED AND EXPANDED BY THE YUGOSLAV PARTY WITH THE TECHNICAL ASSISTANCE OF THE SOVIET UNION

1. Expansion of the “*Železara Zenica*” metallurgical combine so as to increase by 800,000-1,000,000 tons its capacity of 1,000,000 tons of steel a year through construction of a coke and coke-oven shop, a sintering shop, a blast-furnace shop, a steel-smelting shop using converters and equipment for the continuous casting of steel, and electric-power and other auxiliary facilities.
2. Construction of the “*Blagodat*” lead and zinc mine with a capacity of 300,000 tons of ore a year and of a concentrating plant with a capacity of 1,000 tons of ore a day.
3. Construction of the “*Mojkovac*” lead and zinc mine with a capacity of 440,000 tons of ore a year and of a concentrating plant with a capacity corresponding to that of the mine.
4. Construction of the “*Kopaonik*” lead and zinc mine and concentrating plant, including :
  - (a) A mine with a capacity of 150,000 tons of ore a year by open-cast mining (“*Kopaonik*”);
  - (b) A mine with a capacity of 60,000 tons of ore a year (“*Žuta Prla*”);
  - (c) A concentrating plant with a capacity of 1,000 tons of ore a day (“*Leposavić*”).
5. Expansion of the “*Stari Trg*” lead and zinc mine from a capacity of 600,000 tons to one of 750,000 tons of ore a year.
6. Construction of the “*Zvečan*” concentrating plant for the beneficiation of lead and zinc ores with a capacity of 2,500 tons of ore a day.
7. Expansion of the “*Lece*” lead and zinc mine from a capacity of 100,000 tons to one of 300,000 tons of ore a year and of the concentrating plant from a capacity of 250 tons to one of 1,000 tons of ore a day.
8. Expansion of the “*Novo Brdo*” lead and zinc mine from a capacity of 60,000 tons to one of 468,000 tons of ore a year and construction of a concentrating plant with a capacity of 1,500 tons of ore a day.
9. Expansion of the “*Zletovo*” lead and zinc mine from a capacity of 267,000 tons to one of 500,000 tons of ore a year and expansion of the concentrating plant to a corresponding capacity.

10. Expansion of the "Srebrenica" lead and zinc mine from a capacity of 150,000 tons to one of 300,000 tons of ore a year and expansion of the concentrating plant to a corresponding capacity.

11. "Bor" copper-smelting combine: expansion of the mine, concentrating plant, copper-smelting shop and refining shop.

12. Construction of the "Obrenovac" thermal power station with a capacity of 400,000 kw, comprising two turbine sets (turbine-generator) with a capacity of 200,000 kw each.

13. Construction of the "Sisak" thermal power station with a capacity of 200,000 kw, comprising one turbine unit (boiler-turbine-generator) with a capacity of 200,000 kw.

14. Expansion of the "Kosovo" thermal power station so as to increase its capacity by 200,000 kw ("Kosovo IV") through the installation of one turbine set (turbine-generator) with a capacity of 200,000 kw.

15. Expansion of the "Šoštanj" thermal power station so as to increase its capacity by 200,000 kw through the installation of one turbine unit (boiler-turbine-generator) with a capacity of 200,000 kw.

NOTE :

1. Planning work for the enterprises and facilities referred to in items 2 to 10 shall be carried out by Yugoslav organizations.

2. For purposes of the non-standard equipment provided for in the plans prepared by Soviet organizations and of the additional articles required to complete the equipment delivered from the Soviet Union which are to be manufactured by the Yugoslav Party at its enterprises, the Soviet organizations shall transmit the necessary technical documents to the appropriate Yugoslav organizations by agreement between these organizations of the two Parties.

3. The equipment delivered from the Soviet Union shall include metal construction components.

4. Within the limits of the loan of up to \$US 160 million of account granted under this Agreement, this list of enterprises and facilities may be made more specific or revised by the Parties before the end of 1966.

In order that the Yugoslav Party may take down the full amount of the loan referred to in article 3 of this Agreement, the Parties shall agree on any additions to this list before the end of 1967.