

No. 9734

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**AUSTRALIA**  
and  
**REPUBLIC OF CHINA**

**Trade Agreement (with agreed minutes). Signed at  
Canberra on 22 April 1968**

*Authentic texts: English and Chinese.*

*Registered by Australia on 30 July 1969.*

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**AUSTRALIE**  
et  
**RÉPUBLIQUE DE CHINE**

**Accord commercial (avec procès-verbal d'accord). Signé à  
Canberra le 22 avril 1968**

*Textes authentiques: anglais et chinois.*

*Enregistré par l'Australie le 30 juillet 1969.*

TRADE AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF  
THE COMMONWEALTH OF AUSTRALIA AND THE  
GOVERNMENT OF THE REPUBLIC OF CHINA

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The Government of the Commonwealth of Australia and the Government of the Republic of China,

Desiring to facilitate and extend the commercial relations between their two States,

Have agreed as follows:

*Article I*

The parties shall take all appropriate measures to facilitate trade between their States in respect of both traditional and potential export goods and commodities of either State.

*Article II*

With respect to

- (a) customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on the international transfer of payments for imports or exports,
- (b) the method of levying such duties and charges,
- (c) all rules and formalities in connection with importation and exportation,
- (d) the application of internal taxes to exported products,
- (e) all internal taxes and other internal charges of any kind imposed on or in connection with imported products,
- (f) all laws, regulations and requirements affecting internal sale, offering for sale, purchase, distribution or use of imported products,

any advantage, favour, privilege or immunity which has been or may hereafter be granted by either party to any product originating in or destined for any third State shall be accorded to the like product originating in or destined for the other party.

*Article III*

1. With regard to prohibitions or restrictions whether made effective through quotas, import or export licences or other measures, instituted or

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<sup>1</sup> Came into force on 22 April 1968 by signature, in accordance with article XI (1).

maintained by either party on the importation of any product of the other party or on the exportation or sale for export of any product destined for the other party

- (a) no such prohibition shall be applied by either party unless a like prohibition is applied to all third States; and
- (b) such restriction shall be formulated and administered in such a way as to accord to the other party treatment no less favourable than is accorded to any third State.

2. In the allocation of foreign exchange for transactions involving the importation and exportation of goods, and in the administration of foreign exchange restrictions in relation to such transactions, each party shall accord to the other party treatment no less favourable than it accords to any third State.

#### *Article IV*

1. The provisions of Articles II and III of this Agreement shall not apply to:

- (a) tariff preferences or other advantages accorded by the Government of the Republic of China in respect of imports under:
  - (i) specific bilateral agreements concluded and/or to be concluded with those developing countries which are in need of the co-operation of the Republic of China to promote their two way trade and/or which have co-operation projects with the Republic of China producing goods to meet the requirement of both the Republic of China and the developing country;
  - (ii) bi-lateral long term credit arrangements with, and/or
  - (iii) military and economic aid programmes of, any foreign government, corporation or association or of the United Nations and the specialized agencies brought into relationship with the United Nations in accordance with the provisions of the Charter of the United Nations;
- (b) tariff preferences or other advantages accorded by the Government of the Commonwealth of Australia to:
  - (i) the external territories for whose international relations Australia is responsible,
  - (ii) any other State at present a member of the Commonwealth of Nations including the external territories for whose international relations that Government is responsible,
  - (iii) Ireland;
- (c) tariff preferences or other advantages accorded by either party to any third State, which are not inconsistent with the General Agreement on

Tariffs and Trade,<sup>1</sup> or which conform to any international agreement concluded under the auspices of the United Nations, including preferences and advantages resulting from the association of either party in a customs union or free trade area;

- (d) such measures as either party may consider necessary to safeguard its external financial position and balance of payments;
- (e) such measures as either party may take to carry out its obligations under any multilateral commodity agreement which is open to participation by both parties.

2. The exchange of goods and commodities between the two States shall be subject to and effected within the scope of the import and export laws and regulations in force from time to time in each state during the currency of this Agreement. In particular, nothing in this Agreement shall be construed so as to prevent the adoption or enforcement of measure necessary to protect human, animal or plant life, or health.

#### *Article V*

1. (a) Each party undertakes that if it establishes or maintains a State enterprise, wherever located, or grants to any enterprise, formally or in effect, exclusive or special privileges, such enterprise shall, in its purchases or sales involving imports or exports, act in a manner consistent with the general principles of non-discriminatory treatment prescribed in this Agreement for governmental measures affecting imports or exports by private traders.

(b) The provisions of sub-paragraph (a) of this paragraph shall be understood to require that such enterprises shall, having due regard to the other provisions of this Agreement, make any such purchases or sales solely in accordance with commercial considerations including price, quality, availability, marketability, transportation and other conditions of purchase or sale, and shall afford the enterprises of the other party adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases or sales.

(c) Neither party shall prevent any enterprise under its jurisdiction from acting in accordance with the principles of sub-paragraphs (a) and (b) of this paragraph.

2. The provisions of paragraph 1 of this Article shall not apply to imports of products for immediate or ultimate consumption in governmental use and not otherwise for resale or use in the production of goods for sale.

<sup>1</sup> United Nations, *Treaty Series*, vol. 55, p. 187; for subsequent actions, see references in Cumulative Indexes Nos. 1 to 8, as well as annex A in volumes 609, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 640, 651, 661, 662, 663, 664, 665 and 668.

With respect to such imports, each party shall accord to the trade of the other party fair and equitable treatment.

3. Each party recognises that enterprises of the kind described in subparagraph (a) of paragraph 1 of this Article might be operated so as to create serious obstacles to trade between the two states; the parties shall therefore within thirty (30) days of the receipt by either party of a request to that effect from the other party, enter into negotiations directed to the limitation or reduction of such obstacles.

#### *Article VI*

If either party imposes consular charges in respect of trade between the two States, any such charge shall be limited to the approximate cost of services rendered and shall be a flat charge and not a percentage of the value of the goods.

#### *Article VII*

In order to facilitate the implementation of this Agreement, the parties shall consult together, upon the request of either, to discuss any matters arising from the Agreement or otherwise relating to trade between the two States.

#### *Article VIII*

Recognising the urgent need to produce a greater degree of stability and predictability in international trade in primary products, and with a view to removing the obstacles and uncertainties that at present exist to the prejudice of the external payments position of their states, the parties undertake to support the principle of international action designed to improve the conditions of international trade in primary products of direct interest to either state, and agree to consult on such matters at the request of either party.

#### *Article IX*

The provisions of this Agreement shall not be construed so as to derogate from the rights and obligations that either party has or may have as a Contracting Party to the General Agreement on Tariffs and Trade or to any multilateral agreement amending or supplementing it.

#### *Article X*

This Agreement applies in the case of the Commonwealth of Australia to the metropolitan territory of Australia but not to any of the external territories administered by the Government of the Commonwealth of Australia.

*Article XI*

1. This Agreement shall come into force on the date of signature and shall remain in force for a period of one (1) year. Thereafter it shall remain in force until the expiration of ninety (90) days from the date on which one of the parties receives from the other party a written notice of its intention to terminate this Agreement.

2. The parties may at any time agree to revise or amend this Agreement and amendments so agreed shall be recorded in Notes exchanged between the parties. Any revision or termination of the present Agreement shall be effected without prejudice to any rights or obligations with respect to commercial transactions accruing or incurred within the currency of the Agreement prior to the effective date of such revision or termination due regard being paid to such time as would be normal to complete such transactions.

3. The present Agreement is drawn up in duplicate in the English and Chinese languages, both texts being equally authoritative.

IN WITNESS WHEREOF, the undersigned, duly authorized by their respective Governments, have signed the present Agreement and have affixed thereto their seals.

DONE at Canberra, this twenty-second day of April in the year One thousand nine hundred and sixty-eight, corresponding to the twenty-second day of the fourth month of the fifty-seventh year of the Republic of China.

For the Government  
of the Commonwealth of Australia:

Ian SINCLAIR

For the Government  
of the Republic of China:

K. T. LI

## AGREED MINUTES

During discussion on Article IV-1 (*d*) covering the circumstances under which the parties may depart from most favoured nation principles for foreign exchange reasons, both Delegations considered that such departures should be regulated by some recognised international codes of behaviour. It was agreed that Article IV-1 (*d*) is intended to cover those cases where a party imposes measures, consistent with its other international obligations, designed to safeguard its external financial position and balance of payments,

for example, in those limited cases permitted under the Articles of Agreement of the International Monetary Fund.<sup>1</sup>

For the Government  
of the Commonwealth of Australia:

Ian SINCLAIR

For the Government  
of the Republic of China:

K. T. LI

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<sup>1</sup> United Nations, *Treaty Series*, vol. 2, p. 39.