

No. 12203

**UNITED STATES OF AMERICA
and
EGYPT**

**Agreement regarding the consolidation and rescheduling of
past due debts owed to United States Government
agencies (with annexes). Signed at Cairo on 6 December
1971**

Authentic text : English.

Registered by the United States of America on 29 December 1972.

**ÉTATS-UNIS D'AMÉRIQUE
et
ÉGYPTE**

**Accord relatif à la consolidation de dettes anciennes
contractées auprès d'agences du Gouvernement des États-
Unis et à la modification des échéances de paiement
y relatives (avec annexes). Signé au Caire le 6 décembre
1971**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 29 décembre 1972.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT REGARDING THE CONSOLIDATION AND RESCHEDULING OF PAST DUE DEBTS OWED TO UNITED STATES GOVERNMENT AGENCIES

The Government of the United States of America and the Government of the Arab Republic of Egypt agree to the following :

1. In accordance with the terms and conditions agreed upon *ad referendum* in the Memorandum of Understanding of October 2, 1971,* the Government of the United States of America and the Government of the Arab Republic of Egypt have agreed to consolidate and reschedule all dollar obligations of principal and interest due and unpaid to United States Government agencies by the Government of the Arab Republic of Egypt as of January 1, 1972, under the agreements listed in annex A. Local currency payments due to the United States Government by the Government of the Arab Republic of Egypt are not covered by this Agreement. The relevant United States Government agencies are the Commodity Credit Corporation, the Export-Import Bank of the United States, and the Agency for International Development. Bilateral agreements will be signed with each of the relevant United States Government agencies to carry out the terms of this Agreement.

2. Amounts to be consolidated and rescheduled under the terms and conditions of this Agreement total \$145,344,470.97. Annex B specifies the amounts to be consolidated and rescheduled for each of the relevant United States Government agencies.

3. The following terms and conditions of payment shall be applicable :

a. The Government of the Arab Republic of Egypt agrees to repay to the relevant United States Government agencies all principal and interest due and unpaid as of January 1, 1972, under the agreements listed in Annex A.

b. Principal and interest due and unpaid as of January 1, 1972, in the amounts shown for each Agency in appendix B shall be termed the Consolidated Debt for such agency. A table summarizing the revised payments due to these agencies is attached as annex C.

c. The Consolidated Debt owed to the Commodity Credit Corporation for credits made available under the programs of the Commodity Credit Corporation shall be repaid in ten semi-annual installments on due dates of January 1 and July 1 of each year beginning on January 1, 1972, and ending on July 1, 1976. Repayments shall amount to the following percentages of the Consolidated Debt : 1) the first two installments each representing 13.75% of the Consolidated Debt; 2) the third, fourth, fifth, sixth, seventh and eighth installments each

* Not printed.

¹ Came into force on 28 August 1972, in accordance with paragraph 7.

representing 10% of the Consolidated Debt and 3) the ninth and tenth installments each representing 6.25% of the Consolidated Debt.

d. The Consolidated Debt owed to the Export-Import Bank of the United States, the Agency for International Development and the United States Government for P.L. 480 shall be repaid in ten semi-annual installments on due dates of April 1 and October 1 of each year beginning on April 1, 1974, and ending on October 1, 1978. Repayments shall amount to the following percentages of the Consolidated Debt: 1) the first two installments each representing 2.5% of the Consolidated Debt; 2) the third and fourth installments each representing 5% of the Consolidated Debt; 3) the fifth and sixth installments each representing 10% of the Consolidated Debt; 4) the seventh and eighth installments each representing 15% of the Consolidated Debt; 5) the ninth and tenth installments each representing 17.5% of the Consolidated Debt.

e. The Consolidation Interest rate is the interest rate applied on the outstanding balance of the Consolidated Debt owed to the relevant United States Government agencies.

f. The Consolidation Interest rate shall be 6.65 percent per annum on the outstanding balance of the Consolidated Debt owed to the Commodity Credit Corporation for credits made available under the programs of the Commodity Credit Corporation and 6.0 percent per annum on the outstanding balance of the Consolidated Debt owed to the Export-Import Bank of the United States, the Agency for International Development and the United States Government for P.L. 480. With regard to the Consolidated Debt owed to the Agency for International Development, interest shall also accrue on any past due Consolidation Interest. Consolidation Interest shall begin to accrue on the outstanding balance of the Consolidated Debt on January 1, 1972, and shall be paid semi-annually in accordance with the schedules provided in the bilateral agreements of each of the relevant agencies.

4. The Government of the Arab Republic of Egypt agrees to resume payments of principal and interest due after December 31, 1971, on credits listed in annex A in accordance with the terms and conditions of the contracts in effect prior to this Agreement between each of the relevant United States Government agencies and the Government of the Arab Republic of Egypt.

5. New credit facilities amounting to 95 percent of repayments on the Consolidated Debt owed to the Commodity Credit Corporation for credits made available under programs of the Commodity Credit Corporation shall be made available to the Government of the Arab Republic of Egypt at its request during the period of repayment (1972-1976) as specified in the bilateral agreement between the Government of the Arab Republic of Egypt and the Commodity Credit Corporation rescheduling Commodity Credit Corporation credits.

6. The Export-Import Bank of the United States shall be prepared to consider the extension of credit facilities as a credit relationship is reestablished.

7. This Agreement shall enter into effect as of the day and year when :

- a.* it has been signed by representatives of the Government of the Arab Republic of Egypt and the Government of the United States and
- b.* the bilateral agreements provided for in section 1 of this Agreement have been signed by the Government of the Arab Republic of Egypt and the relevant United States Government agencies and have become effective pursuant to their terms.

8. DONE at Cairo, in duplicate, this 6th day of December, 1971.

For the Government of the United States of America :
DONALD C. BERGUS

For the Government of the Arab Republic of Egypt :
M. MERZBAN

ANNEX A

ARAB REPUBLIC OF EGYPT—COMMODITY CREDIT CORPORATION CREDIT AGREEMENTS

(In dollars)

<i>Credit Identification</i>			<i>Credit Identification</i>		
<i>GSM Number</i>	<i>Date of Agreement</i>	<i>Purpose</i>	<i>GSM Number</i>	<i>Date of Agreement</i>	<i>Purpose</i>
3552	4-20-66	Sale of Agriculture Commodities	3875	8- 9-66	Sale of Agriculture Commodities
3556	4-20-66		3877	8- 9-66	
3557	4-20-66		3878	8- 9-66	
3562	4-20-66		3879	8- 9-66	
3581	4-20-66		3880	8- 9-66	
3586	4-21-66		3881	8- 9-66	
3598	4-26-66		3882	8- 9-66	
3605	5- 5-66		3883	8- 9-66	
3608	5- 9-66		3896	8-12-66	
3611	5- 9-66		4041	9-23-66	
3616	5-11-66		4062	10-17-66	
3633	5-24-66		4124	11-16-66	
3634	5-26-66		4127	11-17-66	
3635	5-26-66		4131	11-16-66	
3644	6- 8-66		4132	11-16-66	
3680	6-28-66		4160	12- 2-66	
3865	8- 9-66		4167	12- 7-66	
3868	8- 9-66		4178	12-14-66	
3869	8- 9-66		4205	12-23-66	
3870	8- 9-66		4236	1-10-67	
3873	8- 9-66		4340	2-28-67	

ANNEX A

ARAB REPUBLIC OF EGYPT—EXPORT-IMPORT BANK CREDIT AGREEMENTS AND TERMS

(In dollars)

Number	Credit Identification		Past Due Debt as of Dec. 31, 1971		
	Credit Agreement Signed	Purpose	Principal	Interest	Total
1265 ¹	Oct. 5, 1960	Purchase of Railway Equipment	14,046,561.97	4,379,160.01	18,425,721.98
2110 ²	Oct. 16, 1963 (amended Oct. 28, 1965)	Purchase of Railway Equipment	<u>8,593,750.00</u>	<u>3,908,735.75</u>	<u>12,502,485.75</u>
			22,640,311.97	8,287,895.76	30,928,207.73

¹ Original repayment terms of credit agreement # 1265: Principal repayable in 16 semiannual installments commencing July 31, 1962; interest at 5 $\frac{3}{4}$ %, payable semiannually.

² Original repayment terms of credit agreement # 2110: Principal repayable in 16 semiannual installments commencing (as amended) March 1, 1966; interest at 5 $\frac{3}{4}$ %, payable semiannually.

ANNEX A

ARAB REPUBLIC OF EGYPT—AGENCY FOR INTERNATIONAL DEVELOPMENT LOAN AGREEMENTS

1. Loan Agreement Between the Societe Misr Pour La Rayonne, the United Arab Republic and the Agency for International Development, dated April 26, 1962 (A.I.D. Loan No. 263-H-014)
2. Loan Agreement Between the United Arab Republic and the Agency for International Development, dated April 26, 1962 (A.I.D. Loan No. 263-H-015)
3. Loan Agreement Between the United Arab Republic and the Agency for International Development, dated June 1, 1962 (A.I.D. Loan No. 263-K-016)
4. Loan Agreement Between the United Arab Republic and the Agency for International Development, dated June 1, 1962 (A.I.D. Loan No. 263-K-019)
5. Loan Agreement Between the Government of the United Arab Republic and the Agency for International Development, dated February 20, 1963 (A.I.D. Loan No. 263-H-020)
6. Loan Agreement Between the Societe Generale De L'Industrie Du Papier "Rakta," the Government of the United Arab Republic and the United States of America, dated November 12, 1963 (A.I.D. Loan No. 263-H-022)

ANNEX A

ARAB REPUBLIC OF EGYPT

PL-480 AGRICULTURAL COMMODITIES AGREEMENT AND TERMS

(In Dollars)

Agreement Identification^a

<i>Treasury Number</i>	<i>Date of Agreement</i>	<i>Purpose</i>
66-0011	January 3, 1966	Sale of Agricultural Commodities
<i>Past Due Debt Through December 31, 1971:</i>		
Principal		\$ 3,042,806.16
Interest		\$ 1,995,746.96
		TOTAL <u>\$ 5,038,553.12</u>
<i>Balance of Original Credit:</i>		
Principal		<u>\$ 11,410,523.10</u>

^a Original Credit Provisions of Agricultural Commodities Agreement Between the Government of the United States of America and the Government of the United Arab Republic under Title IV of the Agricultural Trade Development and Assistance Act, as amended.

Payments of amounts financed in connection with shipments made in each calendar year, including the applicable ocean transportation costs related to such deliveries, shall be made in 19 approximately equal installments. The first payment shall become due two years from the date of last delivery in any calendar year. Any annual payment may be made prior to the due date thereof.

Interest on the unpaid balance of the principal amount due the Government of the United States of America for commodities delivered in each calendar year will begin on the date of the last delivery of commodities in such calendar year and will be paid annually not later than the anniversary date of those deliveries. Interest shall be computed at the rate of 2½ percent per annum. (Last delivery date in calendar year 1966-June 23, 1966.)

ANNEX B

PAST DUE DEBT CONSOLIDATED THROUGH DECEMBER 31, 1971 OWED BY
THE ARAB REPUBLIC OF EGYPT TO UNITED STATES GOVERNMENT AGENCIES

(In Dollars)

<i>Agency</i>	<i>Principal in Arrears</i>	<i>Interest in Arrears</i>	<i>Total Past Due Debt</i>
Commodity Credit Corporation .	62,980,893.81	21,775,756.21	84,756,650.02
Export-Import Bank of the United States	22,640,311.97	8,287,895.76	30,928,207.73
Agency for International Develop- ment	19,714,175.60	4,906,884.50	24,621,060.10
United States Government for PL-480	<u>3,042,806.16</u>	<u>1,995,746.96</u>	<u>5,038,553.12</u>
TOTALS	<u>108,378,187.54</u>	<u>36,966,283.43</u>	<u>145,344,470.97</u>

ANNEX C

ARAB REPUBLIC OF EGYPT—REVISED SCHEDULE OF PAYMENTS RESULTING FROM RESCHEDULING
OF PAST DUE DEBT OWED TO UNITED STATES GOVERNMENT AGENCIES^a

(In dollars)

	1972	1973	1974	1975	1976	1977	1978	Totals
1. Repayment of Consolidated Debt ^b	23,308,078.76	16,951,330.00	19,980,721.04	23,010,112.09	22,712,145.44	18,176,346.30	21,205,737.34	145,344,470.97
2. Consolidation Interest ^c	6,168,202.55	7,152,883.44	5,985,603.43	4,630,647.63	3,264,511.07	2,094,920.95	952,851.15	30,249,620.22
3. Payment of Current Maturities	6,765,887.98	3,490,380.03	2,500,093.23	2,559,137.81	2,530,434.50	2,501,731.22	2,473,027.91	22,820,692.68
4. Totals (1+2+3)	<u>36,242,169.29</u>	<u>27,594,593.47</u>	<u>28,466,417.70</u>	<u>30,199,897.53</u>	<u>28,507,091.01</u>	<u>22,772,998.47</u>	<u>24,631,616.40</u>	<u>198,414,783.87</u>

^a These agencies are: Commodity Credit Corporation; the Export-Import Bank of the United States; and the Agency for International Development; and the United States Government for PL-480.

^b The Consolidated Debt consists of \$ 108,378,187.54 of past due principal and \$ 36,966,283.43 of past due interest, for a total of \$ 145,344,470.97.

^c Consolidation Interest is 6.65% per annum on the repayment of the Commodity Credit Corporation Consolidated Debt, and 6.0% per annum on the repayment of the Consolidated Debts of the other agencies listed in footnote *a* above.