

No. 12685

**NEW ZEALAND
and
INDONESIA**

**Exchange of letters constituting an agreement concerning
the provision by New Zealand of a loan for the
purchase of New Zealand goods. Djakarta, 12 July
1972**

Authentic text: English.

Registered by New Zealand on 27 August 1973.

**NOUVELLE-ZÉLANDE
et
INDONÉSIE**

**Échange de lettres constituant un accord relatif à un
prêt accordé par la Nouvelle-Zélande en vue de
l'achat de produits néo-zélandais. Djakarta, 12 juillet
1972**

Texte authentique : anglais.

Enregistré par la Nouvelle-Zélande le 27 août 1973.

EXCHANGE OF LETTERS CONSTITUTING AN AGREEMENT¹
BETWEEN THE GOVERNMENT OF NEW ZEALAND AND THE GOVERNMENT OF INDONESIA CONCERNING THE PROVISION BY NEW ZEALAND OF A LOAN FOR THE PURCHASE OF NEW ZEALAND GOODS

I

EMBASSY OF NEW ZEALAND

12 July 1972

Dear Sir,

I have the honour to refer to the recent discussion between representatives of our respective Governments regarding the offer of the New Zealand Government to make available to the Government of Indonesia a loan of NZ\$500,000 for the purchase of New Zealand goods qualifying for import into the Republic of Indonesia under the Devisa Kredit (Credit Foreign Exchange) regulation. I now propose on behalf of the Government of New Zealand that an agreement be reached between our two Governments in the following terms:

1. The Government of New Zealand will make available to the Government of the Republic of Indonesia a loan of five hundred thousand dollars New Zealand currency (NZ\$500,000). This will take the form of a credit from the Reserve Bank of New Zealand to the Bank Indonesia in the form and on the terms of the financial agreement between the two banks annexed hereto. The Government of the Republic of Indonesia will guarantee the payment of each instalment due under the agreement and will facilitate the transfer of such payments under the agreement.
2. The Indonesian purchases made under the credit will be restricted to products purchased in New Zealand which are included in the Indonesian import list falling under Groups A, B, C and D mentioned in Decree of the Minister of Trade No. 334/KP/X/71 of 29 October, 1971 and the Joint Decree of the Minister of Finance and the Minister of Trade No. 177/MK/IV/3/1972 and No. 114/KPB/IV/72 dated 28 March, 1972, and which are available for export from New Zealand.
3. Orders for goods required by the Government of the Republic of Indonesia or intended for the ultimate use of agencies receiving financial support from the Indonesian Budget will be channelled through the New Zealand Embassy, Djakarta, so that arrangements can be made for their purchase in New Zealand in accordance with normal New Zealand Government purchasing procedures.
4. The Government of the Republic of Indonesia will not take any measures to limit the use of the New Zealand credit in any way without prior consultations with the Government of New Zealand.
5. The Government of the Republic of Indonesia will arrange for checks to be made to ensure that goods purchased with funds made available under the New Zealand credit do enter the Republic of Indonesia, that these goods are included in the Indonesian Devisa Kredit import list mentioned in article 2 herein, and that the prices paid are justified.
6. When, in the opinion of either Government, any irregular transactions involving the credit have taken place, consultations will be held at the request of either Government in order to identify and rectify such irregular transactions and to prevent future irregularities.

¹ Came into force on 12 July 1972, the date of the letter in reply, in accordance with the provisions of the said letters.

7. The credit shall be available up to 30 June, 1973 and no further drawings will be permitted after that date unless agreed between the Parties to this Agreement.

8. At the request of either Government, the two Governments will consult together in respect of any matter that may arise from or in connection with this Agreement.

If the foregoing provisions are acceptable to the Government of the Republic of Indonesia, I have the honour to suggest that this letter and your reply to that effect should constitute an agreement between our two Governments from the date of your reply.

Accept, Sir, the assurance of my highest consideration.

[Signed]

B. F. BOLT
Ambassador of New Zealand to Indonesia

Dr. B. S. Arifin
Director General for Foreign Economic Relations
Department of Foreign Affairs
of the Republic of Indonesia
Djakarta

II

DEPARTMENT OF FOREIGN AFFAIRS
REPUBLIC OF INDONESIA

Djakarta, 12 July 1972

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's note dated 12 July, 1972, which reads as follows.

[See letter I]

I have the honour to confirm that the Government of the Republic of Indonesia agrees to the contents of the above-mentioned note.

Please accept, Your Excellency, the assurance of my highest consideration.

[Signed]

B. S. ARIFIN
Director General for Foreign Economic Relations

His Excellency Basil Franklin Bolt
Ambassador of New Zealand
Djakarta