

No. 12737

**BRAZIL
and
BULGARIA**

**Agreement on trade, payments and economic co-operation
(with lists). Signed at Sofia on 21 April 1961**

**Additional Protocol to the above-mentioned Agreement.
Signed at Rio de Janeiro on 16 December 1965**

Authentic texts of the Agreement: Portuguese, Bulgarian and French.

Authentic texts of the additional Protocol: Portuguese and Bulgarian.

Registered by Brazil on 1 September 1973.

**BRÉSIL
et
BULGARIE**

**Accord de commerce, de paiements et de coopération écono-
mique (avec listes). Signé à Sofia le 21 avril 1961**

**Protocole additionnel à l'Accord susmentionné. Signé à Rio
de Janeiro le 16 décembre 1965**

Textes authentiques de l'Accord : portugais, bulgare et français.

Textes authentiques du Protocole additionnel : portugais et bulgare.

Enregistrés par le Brésil le 1^{er} septembre 1973.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ ON TRADE, PAYMENTS AND ECONOMIC COOPERATION

The Government of the United States of Brazil and the Government of the People's Republic of Bulgaria, desiring to expand trade relations between the two countries in a spirit of friendship and mutual understanding,

And, to that end,

Having decided to conclude an Agreement on trade, payments and economic co-operation, have agreed as follows:

Article I. The Contracting Parties shall, in accordance with their respective foreign-trade legislation and exchange regulations, apply the provisions of this Agreement with a view to establishing a balance in their reciprocal trade and in the payments arising therefrom.

Article II. The Contracting Parties agree to draw up the two schedules of goods annexed to this Agreement.

Sole paragraph. These schedules shall not be restrictive with regard to the value of the goods traded and shall not exclude trade in products not listed. The schedules shall be reviewed annually or, if they are not, shall be regarded as being renewed automatically.

Article III. Goods exported or imported under the terms of this Agreement shall be used solely for internal consumption or processing in the territory of the importing country.

Paragraph 1. The re-export of goods acquired under this Agreement shall not be permitted except where one Contracting Party obtains, in each case, the prior consent of the other.

Paragraph 2. In the event of a breach of the provisions of this article, the value of the goods re-exported shall be paid in freely convertible currency or in another currency accepted by the Contracting Party in which the goods originated.

Article IV. In order to increase exports of Bulgarian capital goods, thus making it impossible to attain the highest level of trade between the United States of Brazil and the People's Republic of Bulgaria, the two Parties shall agree on the arrangements for payment and on the possibility of granting credit facilities available in Bulgaria for the purpose of financing these operations. In the event that the two Governments decide to establish a Joint Commission, as indicated in article VII, all proposals concerning the said operations shall be considered by the Commission.

Article V. The two Contracting Parties shall take appropriate measures to facilitate trade between them, and the competent authorities of the two countries shall issue the necessary import and export licences in accordance with the laws and regulations of their respective countries.

¹ Came into force on 16 December 1963 by the exchange of the instruments of ratification, which took place at Rio de Janeiro, in accordance with article XVIII.

Article VI. The delivery of goods in accordance with this Agreement shall be effected on the basis of contracts concluded between the Bulgarian foreign trade enterprises and organizations, which are independent bodies corporate, on the one hand, and Brazilian enterprises and firms, on the other.

Article VII. With a view to facilitating the execution of this Agreement, the two Contracting Parties agree to consult each other on any matter concerning trade between the two countries, either through a Joint Commission or by any other means of consultation adopted by mutual agreement.

Article VIII. Within the limits of their ability to effect payment, the Contracting Parties shall grant administrative and exchange facilities for the import and export operations governed by this Agreement.

Paragraph 1. The banks referred to in article IX may refuse to effect payments that exceed the limit of the reciprocal credit stipulated in article XIV. However, in the event that an operation exceeding the limit of the said credit is approved, the debtor Contracting Party shall endeavour to increase its exports to the other Party and the latter shall seek to facilitate those exports.

Paragraph 2. If, within a period of six months, the balance exceeding the stipulated limit has not been liquidated, the competent authorities of the two countries shall seek by mutual agreement to find the solution which is most suitable for the two Contracting Parties.

Article IX. The Bank of Brazil and the National Bank of Bulgaria shall open in United States dollars, the accounts (hereinafter referred to as "the Accounts") necessary for accounting in respect of the trade operations governed by this Agreement and for effecting the payments arising therefrom.

Sole paragraph. Interest of 3 per cent *per annum* shall be charged on the balance of the Accounts, the said interest to be calculated every six months or, where applicable, upon the closure of the Accounts. The two banks, in adopting the technical measures provided for in article XV, may exempt from interest charges a part of the reciprocal revolving credit provided for in article XIV.

Article X. The following payments shall be made directly by the Bank of Brazil and the National Bank of Bulgaria through the Accounts:

- (a) payments for exports and imports intended for consumption or processing in the two countries;
- (b) payments of trade and banking expenses relating to the said exports and imports, such as: freight for goods transported by ships flying the flag of one of the Contracting Parties, brokerage, insurance and reinsurance premiums, commercial and bank interest, and other expenses relating to the transactions;
- (c) payments relating to other operations, which shall in each case receive the prior approval of the Bank of Brazil and the National Bank of Bulgaria.

Article XI. Transfers relating to consular fees shall not be made through the Accounts and, at the request of either Contracting Party, shall be authorized in freely convertible currencies.

Article XII. The transactions governed by this Agreement shall be invoiced in United States dollars.

Article XIII. The balance of the Accounts or part of it may be transferred by mutual agreement to accounts maintained by one of the Contracting Parties in a third country.

Article XIV. In order to facilitate trade between them, the Contracting Parties shall grant each other a reciprocal revolving credit of one million dollars (\$US 1,000,000).

Article XV. Within the limits of their authority, the Bank of Brazil and the National Bank of Bulgaria shall decide upon the technical measures required for the execution of this Agreement.

Article XVI. The validity of export and import licences issued by the competent authorities of the Contracting Parties under the terms of this Agreement shall not be affected by the latter's expiry.

Article XVII. Upon the expiry of this Agreement, in accordance with the terms of article XVIII, the Accounts provided for in article IX shall remain open for an additional period of 180 (one hundred and eighty) days in order to ensure that payments arising from the operations approved by the authorities of the two countries during the term of this Agreement and not yet settled may be made into them. During the same additional period, the debtor Contracting Party shall endeavour to liquidate its debit balance by the export of goods. When the period of 180 days has elapsed, the Contracting Parties shall reach agreement, within the following two months, on the way in which any remaining debit balance is to be liquidated. In the event that the two Parties do not reach agreement regarding the liquidation of any such balance, the net balance shall immediately be liquidated by the debtor bank in freely convertible currency.

Sole paragraph. In the event that, after the expiry of the above-mentioned periods, payments are made as a result of operations relating to the financing of capital goods, such payments shall be recorded in special accounts which shall be opened exclusively for that purpose and whose balances shall be utilized by the creditor Contracting Party for the purchase of goods from the other Contracting Party.

Article XVIII. This Agreement shall enter into force on the date of the exchange of the respective instruments of ratification. However, its provisions shall be applied provisionally as from the date on which the undersigned notify each other of the preliminary acceptance of the said provisions by the competent authority of each Government.

Sole paragraph. This Agreement shall remain in force for a period of three years and shall be automatically renewed for successive periods of one year until such time as the Government of one of the Contracting Parties notifies the other, three months in advance, of its intention to denounce the Agreement.

IN WITNESS WHEREOF the Plenipotentiaries of the two Contracting Parties have signed this Agreement.

DONE at Sofia on 21 April 1961, in triplicate, in the Portuguese, Bulgarian and French languages, the three texts being equally authentic. However, should any question arise as to interpretation, the French text shall prevail.

For the Government
of the United States of Brazil:

JOÃO PORTELLA RIBEIRO DANTAS

For the Government
of the People's Republic
of Bulgaria:

ZHIVKO ZHIVKOV

SCHEDULE A

EXPORTS FROM THE PEOPLE'S REPUBLIC OF BULGARIA
TO THE UNITED STATES OF BRAZIL

	1961	1962	1963
1. Machinery and equipment			
2. Agricultural machinery			
3. Electrical equipment and apparatus			
4. Precision measuring apparatus			
5. Barbed wire			
6. Barilla			
7. Caustic soda			
8. Sodium bicarbonate			
9. Chemical fertilizers—nitrates, phosphates, sodium compounds, urea compounds and others			
10. Turpentine			
11. Medicaments—patent medicines, substances and nivaline			
12. Essential oils (from roses, mint, lavender and others)			
13. Vegetable seeds			
14. Glassware and porcelain			
15. Cellulose, paper for printing and other purposes			
16. Handicraft articles, carpets and other articles			
17. Complete plants—total for projects in 1961			
18. Ferrous and non-ferrous metals and concentrates, including zinc, lead and iron sheets			
19. Miscellaneous chemical products, including rosin, sulphur and barium chlorate			
20. Crude petroleum			
21. Ships and fishing vessels			
22. Miscellaneous			
TOTAL (in thousands of US dollars)	<u>16,000</u>	<u>24,000</u>	<u>30,000</u>

ANNEX 1 TO SCHEDULE A

*List of machines which the People's Republic of Bulgaria can supply
to the United States of Brazil*

Machines-tools	Diesel locomotives for mines
Wood-working machines	Compressors
Concrete mixers	Machines for the food-processing industry
Diesel engines	Textile and other machinery
Water pumps	

ANNEX 2 TO SCHEDULE A

List of complete plants which the People's Republic of Bulgaria can supply to the United States of Brazil

Factories for enriching ferrous and non-ferrous metals Mining equipment
6-110 KV transformer and distributor substations
H. T. (up to 220 KV) electrical conductors
Groups of boilers with a production of 20-75 tons of steam per hour up to 40 atm. 450 °C
Complete diesel electric stations with a capacity of up to 50 KW
Automatic telephone exchanges
Factories for products in vibrated concrete—railway—railway steepers, poles, pit props, green-house frames, building construction units and porous concrete for autoclaves
Factories producing porcelain for H. T. and L. T. electrical insulators
Brick and tile works
Factories for the primary processing of cotton
Cotton textiles mills
Factories for the production of starch, glucose, dextrin and glue
Factory for the production of pectin
Factories for the production of rosin from pine resin and pine chips
Factory for the production of carbide and ferro-silicon
Factories for the production of ultramarine blue
Rendering plant
Industrial gas-generating installations
Miscellaneous depots for petroleum derivatives
Factory for the production of caustic soda and sodium bicarbonate
Factory for the production of superphosphate
Factories canning and preserving vegetables, fruit and meat
Red pepper mills
Factories for the production of dried fruit and vegetables
Flour mills
Cereal grain silos with a capacity of up to 40,000 tons
Granaries equipped with mechanized facilities, with a capacity of up to 40,000 tons
Meat-packing plants
Refrigeration plants
Factories for the extraction and refining of vegetable oils
Rice-cleaning installations
Installations for the preparation of combined forage
Refrigerators for normal and deep freeze
Motor vessels—sea freighters of 3,150—5,000 t.d.w.
Sea-going steamers with a capacity of 250 passengers
River and sea-going tankers with shallow draft of 4,000 t.d.w.
River tankers of 5,000 t.d.w.
Coasters of 300 t.d.w.
Sea-going tankers of 280 t.d.w.
River tugs
Merchant vessels equipped with bunkers of 1,500 tons and fishing vessels of 40-1,000 tons
Motorless vessels with a reinforced concrete framework—floating repair yards and floating docks of reinforced concrete
TEKHNOEKSPORT carries out dry-docking maintenance and repair work on all types of river and sea-going vessels with shallow draft of up to 32,000 tons
Topographical studies
Engineering, geological and soilmechanics studies
Hydrological and water resources studies
Soil studies
Energy studies

Soil improvement studies

Engineering, geological and hydrological studies of subterranean and surface springs for the supply of drinking and industrial water; studies on mineral resources; studies on soil creep

Dams of all kinds and sizes

Pumping stations of all types and capacities

Hydro- and thermoelectric power stations

Irrigation and draining systems

River channelling and navigation installations

Water supply and provision of water mains in inhabited areas

TEKHNOEKSPORT trains foreign staff both in the People's Republic of Bulgaria and abroad for work in industrial and other enterprises

SCHEDULE B

EXPORT FROM THE UNITED STATES OF BRAZIL TO THE PEOPLE'S REPUBLIC OF BULGARIA

	1961	1962	1963
1. Cocoa			
2. Cotton			
3. Coffee			
4. Soya			
5. Raw hides and skins			
6. Rice			
7. Pharmaceutical products			
8. Ingot iron			
9. Sugar			
10. Sisal fibre			
11. Timber			
12. Carnauba wax			
13. Groundnuts, groundnut oil and cattlecake from groundnuts			
14. Condiments			
15. Vegetable oils for the chemical and soap industries			
16. Industrial diamonds			
17. Menthol in crystal form			
18. Wool			
19. Miscellaneous			
TOTAL (in thousands of US dollars)	<u>16,000</u>	<u>24,000</u>	<u>30,000</u>

[TRANSLATION — TRADUCTION]

ADDITIONAL PROTOCOL¹ TO THE AGREEMENT ON TRADE, PAYMENTS AND ECONOMIC CO-OPERATION SIGNED BY THE UNITED STATES OF BRAZIL AND THE PEOPLE'S REPUBLIC OF BULGARIA ON 21 APRIL 1961

The Government of the United States of Brazil and the Government of the People's Republic of Bulgaria, desiring to expand economic and trade relations between the two countries, have agreed as follows:

Article I. The Contracting Parties shall grant each other, in all matters relating to trade and navigation, treatment which is in all respects no less favourable than that which each of them grants or may hereafter grant to any third country.

The said treatment shall apply to all matters relating to customs duties and charges, internal taxes and any other charges levied in respect of the processing, distribution or consumption of the goods imported as well as to restrictions, prohibitions, regulations and formalities relating to the import and export of goods.

The provisions of this article shall not apply to:

- (a) advantages and facilities deriving from any customs union which one of the Contracting Parties might join;
- (b) any advantages and facilities which Brazil has granted or may hereafter grant to the States Parties to the Treaty of Montevideo of 18 February 1960² in accordance with the provisions of that Treaty; and
- (c) any advantages and facilities which either Party has granted or may hereafter grant in connexion with the import into its territory of the agricultural or industrial products of neighbouring countries or the export to such countries of agricultural or industrial products originating in the territory of either Party.

Article II. In order to facilitate trade between the two countries, the Bank of Brazil S.A. and the National Bank of Bulgaria shall grant each other a technical credit amounting to 2 (two) million United States dollars.

Paragraph 1. The Joint Commission provided for in article VII of the Agreement on trade, payments and economic co-operation of 21 April 1961³ may propose to the two Governments, if the course of trade make it advisable to do so, administrative measures for redetermining the amount of the above-mentioned technical credit.

Paragraph 2. Any sum in excess of the said technical credit shall be repaid over a period of 1 (one) year by the delivery of goods from the debtor country to the creditor country, which shall, in so far as its means permit, facilitate such deliveries.

Paragraph 3. If, on the expiry of that period, a sum in excess of the credit is still outstanding, the matter shall be considered by the Joint Commission with a view to finding the solution most appropriate for the two Parties.

¹ Applied provisionally from 1 July 1966, the date by which the Contracting Parties notified each other of the preliminary acceptance of its provisions by the competent authorities of their respective Governments, and came into force definitively on 30 September 1966 by the exchange of the instruments of ratification, which took place in Sofia, in accordance with article IV.

² United Nations, *Official Records of the Economic and Social Council, Thirtieth Session, Supplement No. 4*, p. 32.

³ See p. 226 of this volume.

Paragraph 4. If, however, in the course of 1 (one) month from the commencement of the negotiations a satisfactory solution has not been found, the sum then outstanding shall be liquidated by the debtor Party in a freely convertible currency chosen by the creditor Party.

Article III. Bodies corporate and individuals of each Contracting Party shall be entitled to have recourse to the courts in the territory of the other Party. When directly or indirectly engaged in trade or related activities, they shall enjoy, in accordance with the local laws, the right to the inviolability of person and property in the form and within the limits applicable to bodies corporate and individuals of any other country.

Article IV. This Protocol shall enter into force on the date of the exchange of the respective instruments of ratification. However, its provisions shall be applied provisionally as from the date on which the Contracting Parties notify each other of the preliminary acceptance of the said provisions by the competent authorities of each Government.

Sole paragraph. This Protocol shall remain in force during such time as the Agreement on trade, payments and economic co-operation signed at Sofia on 21 April 1961 remains in force and shall, like the said Agreement, be automatically renewed for successive periods of one year until such time as the Government of one of the Contracting Parties notifies the other, three months in advance, of its intention to denounce the Agreement and this Protocol.

IN WITNESS WHEREOF the Plenipotentiaries of the two Contracting Parties have signed this Protocol.

DONE at Rio de Janeiro on 16 December 1963, in duplicate, in the Portuguese and Bulgarian languages, both texts being equally authentic.

For the United States
of Brazil:

[Signed]

JOÃO AUGUSTO DE ARAÚJO CASTRO

For the People's Republic
of Bulgaria:

[Signed]

STANKO TODÓROV