

**No. 14374**

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**FEDERAL REPUBLIC OF GERMANY  
and  
HUNGARY**

**Agreement on economic, industrial and technical co-  
operation. Signed at Budapest on 11 November 1974**

*Authentic texts: German and Hungarian.*

*Registered by the Federal Republic of Germany on 7 October 1975.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
HONGRIE**

**Accord relatif à la coopération économique, industrielle et  
technique. Signé à Budapest le 11 novembre 1974**

*Textes authentiques : allemand et hongrois.*

*Enregistré par la République fédérale d'Allemagne le 7 octobre 1975.*

[TRANSLATION — TRADUCTION]

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE HUNGARIAN PEOPLE'S REPUBLIC ON ECONOMIC, INDUSTRIAL AND TECHNICAL CO-OPERATION

The Government of the Federal Republic of Germany and the Government of the Hungarian People's Republic,

Desiring to develop and intensify economic relations between the two countries,

Recognizing the importance of economic, industrial and technical co-operation for a balanced and comprehensive development of economic relations between the two countries,

Endeavouring to utilize fully in broadening economic co-operation the possibilities afforded by the economic resources of the Contracting Parties,

Convinced that it is desirable to ensure and broaden co-operation by means of long-term agreements,

Having regard to the Long-term Agreement between the Government of the Federal Republic of Germany and the Government of the Hungarian People's Republic on the Exchange of Goods and Economic and Technical Co-operation of 27 October 1970 and to the fact that the Contracting Parties are Contracting Parties to the General Agreement on Tariffs and Trade (GATT),<sup>2</sup>

Have agreed as follows:

*Article 1.* The Government of the Federal Republic of Germany and the Government of the Hungarian People's Republic shall, to the extent of the capabilities and on the basis of mutual benefit, support and promote economic, industrial and technical co-operation between enterprises, organizations and institutions of the two countries.

In the area of economic, industrial and technical co-operation the Contracting Parties shall grant each other the most favourable treatment in conformity with the regulations in force in each country.

*Article 2.* Through the Mixed Governmental Commission referred to in article 9, the Contracting Parties shall co-ordinate the fields in which, in the long-term, expansion of co-operation seems advantageous. In so doing, they shall take into account the needs and resources of both sides in raw materials, energy, machinery and equipment, technical processes and consumer goods.

Consideration shall be given in particular to co-operation in the following fields: production of raw materials and generation of energy, including the oil and gas industries, metallurgy, the chemical industry, mechanical engineering and plant construction, motor and vehicle manufacturing, the electrical industry, the building industry, transport, light industry, agriculture and food production.

*Article 3.* With a view to improving the conditions for the execution of co-operation projects in the fields mentioned in article 2, the Contracting Parties shall support the utilization of various forms of co-operation. Such support shall apply in particular to cases

<sup>1</sup> Came into force on 11 November 1974 by signature, in accordance with article 12.

<sup>2</sup> United Nations, *Treaty Series*, vol. 55, p. 187.

in which joint or co-ordinated action has been agreed upon, on the basis of lasting interest, in connexion with:

- The construction, expansion and modernization of industrial plants and works, the improvement of technical processes in either country through the delivery of machinery and equipment or licences, know-how and technical documentation, and also in connexion with the marketing of goods manufactured with aid of the machinery, equipment, licences and technical documentation so delivered;
- The specialization of production and marketing through reciprocal deliveries of raw materials, semi-finished products, primary products, parts, components or finished products for the continuous production of the other country's economic enterprises in order to expand or supplement their production or marketing programmes;
- The provision of energy and raw materials, semi-finished products, primary products, parts and components for treatment, processing (including job processing) or assembly in either country or in both countries and marketing of the goods produced in either country or both countries or on third markets, irrespective of the country in which the goods were produced or processed;
- The development and exchange of patents, licences, know-how and technical information and joint planning;

and shall also apply to:

- The exchange of experts, in so far as the relevant enterprises of the two countries have an interest in the production and joint or co-ordinated marketing of the product of such co-operation;
- The exchange of experience in the field of standardization, measurements and materials testing.

With a view to the execution of co-operation projects of mutual interest, the question of the establishment of mixed enterprises — in accordance with the regulations in force in both countries — shall be given sympathetic consideration.

*Article 4.* The Contracting Parties shall support the conclusion and execution of contracts relating to economic, industrial and technical co-operation projects and shall afford all possible facilities in connexion with the execution of projects of mutual interest.

*Article 5.* The conditions for individual economic, industrial and technical co-operation projects shall be agreed upon by the enterprises, organizations and institutions of both Parties involved in each particular case, in conformity with the laws and regulations in force in the two countries.

*Article 6.* The Contracting Parties shall support co-operation between enterprises, organizations and institutions of the two countries on third markets.

*Article 7.* Reciprocal payments shall be made in Deutsche Mark or in other fully convertible currencies, in conformity with the regulations in force in the two countries.

*Article 8.* In view of the importance of financing, including the granting of credits, for the development of economic, industrial and technical cooperation, the Contracting Parties shall endeavour to ensure that such financing and credits are granted on the most favourable terms in conformity with the regulations in force in the two countries.

*Article 9.* The Contracting Parties shall establish a Mixed Governmental Commission with a view to achieving the objectives of this Agreement. In so far as required by the matters in hand, it may meet upon mutual agreement under the chairmanship of members of the Government or their representatives. Representatives of business circles may participate in the Commission's work.

The Mixed Governmental Commission shall hold regular and special sessions. Regular sessions shall be held once a year alternately in one of the two countries. Special sessions may be convened at the request of one of the Parties.

The functions of the Mixed Governmental Commission shall include the following:

- To co-ordinate fields in which co-operation appears possible;
- To support and supervise the practical implementation of this Agreement;
- To conduct a regular exchange of views concerning the further development of economic, industrial and technical co-operation;
- To identify new co-operation possibilities and topics for particular fields in the two countries and third markets;
- To encourage and promote long-term co-operation arrangements of major importance in production both between small- and medium-sized enterprises and between larger enterprises;
- To consider other questions arising from the implementation of this Agreement;
- To formulate recommendations relating to the implementation of this Agreement and submit them to the Contracting Parties.

The Mixed Governmental Commission may establish working groups, in particular with a view to studying individual fields of co-operation and working out proposals to solve existing problems.

*Article 10.* In accordance with the Quadripartite Agreement of 3 September 1971,<sup>1</sup> this Agreement shall also apply to Berlin (West) in conformity with the specified procedures.

*Article 11.* This Agreement shall not affect prior bilateral and multilateral treaties and agreements concluded by the Federal Republic of Germany and the Hungarian People's Republic.

In this connexion the Contracting Parties shall, where necessary, hold consultations at the suggestion of either Contracting Party. However, such consultations shall not call the fundamental objectives of this Agreement into question.

*Article 12.* This Agreement shall enter into force on the date of its signature and shall be valid for a term of 10 years.

Not later than six months before the expiry of the term, the Contracting Parties shall agree upon the measures required for the further development of economic, industrial and technical co-operation.

Termination of this Agreement shall not affect the validity of contracts and arrangements concluded between interested enterprises, organizations and institutions of the two countries in connexion with this Agreement.

DONE at Budapest on 11 November 1974, in duplicate in the German and Hungarian languages, both texts being equally authentic.

For the Government  
of the Federal Republic  
of Germany:

KERSTING  
FRIDERICHS

For the Government  
of the Hungarian People's Republic:

BIRÓ

<sup>1</sup> United Nations, *Treaty Series*, vol. 880, p. 115.