

**No. 14807**

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**FEDERAL REPUBLIC OF GERMANY  
and  
INDONESIA**

**Agreement concerning financial assistance. Signed at  
Jakarta on 6 December 1974**

*Authentic texts: German, Indonesian and English.*

*Registered by the Federal Republic of Germany on 15 June 1976.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
INDONÉSIE**

**Accord d'aide financière. Signé à Jakarta le 6 décembre  
1974**

*Textes authentiques : allemand, indonésien et anglais.*

*Enregistré par la République fédérale d'Allemagne le 15 juin 1976.*

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA CONCERNING FINANCIAL ASSISTANCE

The Government of the Federal Republic of Germany and the Government of the Republic of Indonesia,

in the spirit of the friendly relations existing between the Federal Republic of Germany and the Republic of Indonesia,

desiring to strengthen and intensify those friendly relations by fruitful co-operation in the field of development assistance,

aware that the maintenance of those relations constitutes the basis of the present Agreement,

intending to contribute to the economic and social development of the Republic of Indonesia,

have agreed as follows:

*Article 1.* (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Indonesia to have the Bank Indonesia, acting with full powers, and on behalf of the Government of the Republic of Indonesia raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, loans up to a total of one hundred and seventy million German Marks, in accordance with the terms of paragraphs 2 to 4 of this Article, to help stabilize and build up the Indonesian economy.

(2) Up to fifty million German Marks shall be used to finance the import of goods to meet Indonesia's current civilian requirements and the cost of transport connected therewith, as well as other services pursuant to detailed arrangements.

Such supplies must be covered by letters of credit opened since 31 March 1974.

The Government of the Federal Republic of Germany starts from the assumption that the Government of the Republic of Indonesia will use the Rupiah counterpart funds accruing from the sale of the borrowed German Marks for development projects.

(3) Up to thirty-three million one hundred and sixty thousand German Marks shall be earmarked as maintenance support to finance equipment, replacement and supplementary investments as well as spare parts intended for projects of civilian public enterprises to be agreed between the two Governments, and for the financing of services connected therewith.

(4) Up to eighty-six million eight hundred and forty thousand German Marks shall be used to finance projects to be selected by the two Governments. The final allocation shall be made after an appraisal has shown the projects to be eligible for promotion.

*Article 2.* (1) The utilization of these loans as well as the terms and conditions on which they are granted shall be governed by the provisions of the agreements to be concluded between the Bank Indonesia, acting with full powers and on behalf

<sup>1</sup> Came into force on 6 December 1974 by signature, in accordance with article 8.

of the Government of the Republic of Indonesia, and the Kreditanstalt für Wiederaufbau, which agreements shall be subject to the legal provisions applicable in the Federal Republic of Germany.

(2) The Government of the Republic of Indonesia shall guarantee to the Kreditanstalt für Wiederaufbau all payments in German Marks to be made in fulfilment of the borrower's liabilities under the agreements to be concluded pursuant to paragraph 1 above.

*Article 3.* The Government of the Republic of Indonesia shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Republic of Indonesia at the time of the conclusion, or during the implementation, of the agreements referred to in Article 2 of the present Agreement.

*Article 4.* The Government of the Republic of Indonesia shall allow passengers and suppliers free choice of transport enterprises for such transportation by sea or air of persons and goods as results from the granting of the loans, abstain from taking any measures that might exclude or impair the fair and equal participation of transport enterprises having their place of business in the German area of application of the present Agreement and grant the relevant permits for such participation as required.

*Article 5.* Supplies and services for projects financed from the loans in accordance with Article 1 (3) and (4) above shall, unless otherwise provided for in individual cases, be subject to international public tender.

*Article 6.* With regard to the supplies resulting from the granting of the loans, the Government of the Federal Republic of Germany attaches particular importance to preference being given to products of industries of Land Berlin.

*Article 7.* With the exception of those provisions of Article 4 which refer to air transport, this Agreement shall also apply to Land Berlin provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of the Republic of Indonesia within three months after the entry into force of the present Agreement.

*Article 8.* The present Agreement shall enter into force on the date of signature thereof.

DONE at Jakarta on December 6, 1974, in duplicate in the German, Indonesian and English languages, the three texts being equally authentic. In case of divergent interpretation of the German and the Indonesian texts, the English text shall prevail.

For the Government  
of the Federal Republic of Germany:

[Signed — Signé]<sup>1</sup>

For the Government  
of the Republic of Indonesia:

[Signed — Signé]<sup>2</sup>

<sup>1</sup> Signed by Dr. Kurt Müller — Signé par Dr Kurt Müller.

<sup>2</sup> Signed by Adam Malik — Signé par Adam Malik.