

No. 14827

**FEDERAL REPUBLIC OF GERMANY
and
LAO PEOPLE'S DEMOCRATIC REPUBLIC**

**Agreement concerning financial assistance (with annex).
Signed at Vientiane on 14 July 1975**

Authentic texts: German and French.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
RÉPUBLIQUE DÉMOCRATIQUE POPULAIRE LAO**

**Accord d'aide financière (avec annexe). Signé à Vientiane le
14 juillet 1975**

Textes authentiques : allemand et français.

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

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
KINGDOM OF LAOS CONCERNING FINANCIAL ASSISTANCE

The Government of the Federal Republic of Germany and the Government of the Kingdom of Laos,

Considering the friendly relations existing between the Federal Republic of Germany and the Kingdom of Laos,

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

Being aware that the maintenance of these relations is the basis for this Agreement,

Intending to promote economic and social development in the Kingdom of Laos,

Have agreed as follows:

Article 1. The Government of the Federal Republic of Germany shall enable the Government of the Kingdom of Laos or other borrowers to be selected jointly by the two Governments to obtain loans not exceeding a total of 15 (fifteen) million Deutsche Mark from the Kreditanstalt für Wiederaufbau (Reconstruction Loan Corporation), Frankfurt-on-Main, to be used for the following purposes:

- (a) up to DM 9.4 million for the import of goods, preferably capital goods of a kind conducive to a rapid increase in agricultural production, in accordance with the list of goods annexed to this Agreement. The goods in question shall be the subject of delivery contracts concluded after the entry into force of this Agreement;
- (b) up to DM 5.6 million to increase the loan for the German project segment in connexion with the second phase of construction of the Nam Ngum electric power station.

Article 2. (1) The utilization of the loans and the conditions on which they are granted shall be governed by the contracts to be concluded between the borrowers and the Kreditanstalt für Wiederaufbau; the said contracts shall be subject to the legislation applicable in the Federal Republic of Germany.

(2) The Government of the Kingdom of Laos, in so far as it is not itself the borrower, shall guarantee to the Kreditanstalt für Wiederaufbau all payments in Deutsche Mark in compliance with the borrower's obligations under the loan contracts to be concluded in accordance with paragraph (1).

Article 3. The Government of the Kingdom of Laos shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in Laos at the time of the conclusion or execution of the loan contracts referred to in article 2.

¹ Came into force on 14 July 1975 by signature, in accordance with article 7.

Article 4. With respect to such carriage of passengers and goods by sea and air as results from the granting of the loans, the Government of the Kingdom of Laos shall allow passengers and suppliers a free choice of transport enterprises, shall refrain from taking any measures that might exclude or impede the participation of transport enterprises having their headquarters in the German area of application of this Agreement and shall grant any permits necessary for the participation of such enterprises.

Article 5. The Government of the Federal Republic of Germany is particularly desirous that, for goods supplied as a result of the granting of the loans, preference should be given to the products of the industry of *Land Berlin*.

Article 6. With the exception of the provisions of article 4 concerning air traffic, this Agreement shall also apply to *Land Berlin*, unless the Government of the Federal Republic of Germany declares otherwise to the Government of the Kingdom of Laos within three months of the entry into force of this Agreement.

Article 7. This Agreement shall enter into force on the date of signature.

DONE at Vientiane on 14 July 1975, in duplicate in the German and French languages, both texts being equally authentic.

For the Government of the Federal Republic of Germany:

[Signed]

EDGAR VON SCHMIDT-PAULI
Ambassador Extraordinary and Plenipotentiary
of the Federal Republic of Germany

For the Government of the Kingdom of Laos:

[Signed]

PHOUN SIPRASEUTH
Liaison Officer of His Highness the Prime Minister
to the Vice-Presidency of the Council of Ministers
and Minister for Foreign Affairs

A N N E X

LIST OF GOODS WHICH, IN ACCORDANCE WITH ARTICLE 1 (a) OF THE GOVERNMENTAL AGREEMENT OF 14 JULY 1975, THE KINGDOM OF LAOS MAY OBTAIN IN AN AMOUNT NOT EXCEEDING DM 9.4 MILLION (NINE MILLION FOUR HUNDRED THOUSAND DEUTSCHE MARK) AS ASSISTANCE IN THE FORM OF GOODS

- (a) agricultural machinery and implements;
- (b) products of the chemical industry, in particular fertilizers, plant protection agents, pesticides and pharmaceutical products;
- (c) industrial raw materials and auxiliary materials, and semi-manufactures;
- (d) industrial equipment;
- (e) spare parts and accessories of all kinds;
- (f) other industrial products of importance for the economic development of the Kingdom of Laos.

Imports of goods not included in this list may be financed only with the prior approval of the Government of the Federal Republic of Germany.

The import of luxury goods, consumer goods and goods intended for military purposes shall be excluded from financing under the assistance for the purchase of goods.
