

No. 15854

**SPAIN
and
ECUADOR**

**Convention on economic co-operation. Signed at Quito on
9 May 1974**

Authentic text: Spanish.

Registered by Spain on 17 August 1977.

**ESPAGNE
et
ÉQUATEUR**

**Convention de coopération économique. Signée à Quito le
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Texte authentique : espagnol.

Enregistrée par l'Espagne le 17 août 1977.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ ON ECONOMIC CO-OPERATION BETWEEN THE SPANISH STATE AND THE REPUBLIC OF ECUADOR

The Governments of the Spanish State and of the Republic of Ecuador, duly represented by the Plenipotentiaries Ambassador Enrique Pérez Hernández, Chairman of the Spanish Delegation to the Second Joint Ecuadorian-Spanish Meeting, and Dr. Rodrigo Valdez Baquero, Interim Minister for External Relations,

Bearing in mind the historic ties of deep and secular friendship between the two nations and taking fully into account existing opportunities for stimulating and strengthening economic co-operation between them, have agreed as follows:

Article I. The Contracting Parties shall endeavour to ensure and to raise to the highest level economic co-operation between the two countries, particularly through their trade, financial and investment policies, to be aimed at complementing the efforts of both Governments to secure their own economic and social development, and to that end shall exchange information regularly and frequently through their Embassies.

In pursuance of this article, agreements may be concluded between the competent authorities of the two countries on commitments to purchase specific products, investments, industrial complementarity and financing.

Article II. Both Parties declare themselves willing to increase, diversify and balance trade between them. In that trade the world prices prevailing on the principal markets at the time of the conclusion of the relevant contracts shall be taken into account.

Article III. To this end the two Parties shall grant each other most-favoured-nation treatment with respect to all matters concerning customs duties, charges and taxes on exports and imports, trade regulations and administrative formalities.

This most-favoured-nation principle shall not apply with respect to advantages granted by either Party within the framework of customs unions, free trade zones, or regional or subregional integration agreements or in other cases governed by the Rules of GATT² or in the event of any advantages granted for frontier trade with neighbouring countries.

Article IV. Both Parties shall within the framework of their national legislation grant every facility for promoting and developing reciprocal trade.

To that end, they agree to promote greater familiarity with each other's products and markets by annually submitting to each other lists of the products which they wish to import and export.

The two Parties shall bring these lists to the notice of the sectors concerned in each country and shall exchange opinions regarding the scope for trade in the products included in them.

To that end, they shall promote the sending of trade missions and shall encourage contacts between importers and exporters of both Parties, the organization of fairs and exhibitions, and the sending of samples and articles, on condition that they shall not be sold and shall be exempt from customs and other similar duties under the relevant laws of each country.

¹ Came into force on 5 July 1977, the date of the last of the notifications by which the High Contracting Parties informed each other of the fulfilment of their respective legal requirements for its application, in accordance with article XIII (1).

² United Nations, *Treaty Series*, vol. 55, p. 187.

Article V. Within the framework of their national legislation, the two Parties shall promote shipping between the two countries with a view to promoting the development of their respective merchant marines. To that end, both Parties declare themselves willing to initiate, in due course and by agreement, talks aimed at regulating these matters.

Article VI. 1. The vessels of one Contracting Party may enter the ports of the other Party in accordance with the laws and regulations in force in each country with regard to navigation and access to ports, and these laws and regulations shall be applied generally and without discrimination.

2. The vessels, and their crews and passengers, of one Contracting Party shall enjoy on a reciprocal basis in the ports of the other Contracting Party treatment free from any discrimination, particularly with respect to the use of the ports, trading operations, and the embarkation and disembarkation of passengers and goods originating from and bound for foreign countries.

Article VII. 1. Documents relating to the identity of the vessel, its seaworthiness and safety issued or recognized by the competent authorities of one Contracting Party shall be recognized by the other Contracting Party.

2. Certificates of tonnage and capacity issued by the competent authorities of one Contracting Party in accordance with international agreements in force which are binding on both Spain and the Republic of Ecuador shall be recognized by the other Contracting Party.

The two Contracting Parties shall settle by agreement and find positive and practical solutions to any problems which may arise with respect to shipping.

Article VIII. The two Contracting Parties agree that all payments resulting from operations carried out under this Agreement shall be made in freely convertible currencies, in accordance with the laws and regulations in force in their respective countries.

Article IX. Both Parties resolve to intensify to the maximum their industrial co-operation relations, both in the carrying out in either country of projects intended for their markets or for markets in third countries and in participating in the carrying out of joint projects in third countries.

Such industrial co-operation shall be the subject of specific agreements at the level of the sectors concerned, to which end both Governments shall grant every facility possible within the scope and limitation of their respective legislation.

Article X. The Spanish State, within the framework of its legislation, declares its willingness to provide its economic, financial, industrial and technical co-operation for carrying out development projects of Ecuador.

Both Parties shall give most favourable consideration to investing in joint ventures and their establishment for the purposes stated above.

To that end, the two Parties shall exchange information on projects which might be of interest for such co-operation and on the facilities which might be granted in that connexion.

The two Parties declare themselves prepared to negotiate an agreement for the avoidance of double taxation should experience show that to be advisable.

Article XI. The Contracting Parties, in accordance with their respective legislation, shall endeavour to institute measures to prevent all types of unfair trade practices between the two countries and shall facilitate timely contacts and the exchange of information between their respective institutions responsible for licences, trade marks and indications of origin and of place of shipment.

Article XII. The two Contracting Parties agree to establish within the framework of the Joint Spanish-Ecuadorian Commission a Sub-Commission on Economic Co-operation, which shall monitor the functioning of this Agreement and study problems regarding economic relations between the two countries and whose delegations shall submit to their respective Governments proposals to facilitate the achievement of the proposed aims.

The Sub-Commission on Economic Co-operation shall meet on dates and at places decided on by agreement.

Article XIII. 1. This Agreement, which replaces the Trade Agreement between Spain and Ecuador of 12 July 1954, shall enter into force as soon as the High Contracting Parties notify each other of the fulfilment of their respective legal requirements for the application of the Agreement, and on the date of the later of the notifications. These communications shall be made through an exchange of notes.

2. The duration of this Agreement shall be five years from the date of its entry into force and shall be extended, by tacit agreement, for five-year periods, unless one of the Contracting Parties gives three months' prior notice of its intention to terminate it.

At any time while it is in force, this Agreement may be amended or extended by mutual agreement.

3. The denunciation or rescission of this Agreement shall not affect the normal completion of operations which have been formalized prior to its expiry.

IN WITNESS WHEREOF, they have signed and sealed this Agreement in two copies, both being equally authentic, at Quito on 9 May 1974.

For the Spanish State:

[Signed]

ENRIQUE PÉREZ HERNÁNDEZ
Chairman of the Spanish Delegation to
the Second Joint Ecuadorian-Spanish
Meeting

For the Government
of the Republic of Ecuador:

[Signed]

Dr. RODRIGO VALDEZ BAQUERO
Interim Minister
for External Relations