

No. 18114

**SPAIN
and
CHINA**

**Trade Convention (with exchange of notes). Signed at
Peking on 19 June 1978**

Authentic texts: Spanish and Chinese.

Registered by Spain on 27 November 1979.

**ESPAGNE
et
CHINE**

**Convention commerciale (avec échange de notes). Signée à
Pékin le 19 juin 1978**

Textes authentiques : espagnol et chinois.

Enregistrée par l'Espagne le 27 novembre 1979.

[TRANSLATION — TRADUCTION]

TRADE AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE KINGDOM OF SPAIN AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

The Government of the Kingdom of Spain and the Government of the People's Republic of China, desiring to promote trade relations between the two countries on the basis of equality and mutual benefit, have agreed as follows:

Article 1. The Contracting Parties shall endeavour to ensure that trade between the People's Republic of China and the Kingdom of Spain is conducted with the greatest possible regularity and continuity and in a harmonious and reasonably balanced manner in order to achieve maximum utilization of the possibilities provided by the development of their respective economies.

Article 2. In order to ensure mutually beneficial conditions for the development of trade between the two countries, the Contracting Parties agree to grant each other most-favoured-nation treatment in respect of:

- (a) All customs duties, taxes and charges levied on goods which are imported, exported or in transit and all domestic taxes and levies, as well as the method of collection thereof;
- (b) Customs regulations, formalities and expenses relating to the entry, exit, transit, storage and transshipment of goods imported, exported, or in transit.

The provisions of this article shall not apply to:

- (a) Preferential treatment which either Contracting Party has granted or may grant for the purpose of facilitating frontier-zone trade with neighbouring countries;
- (b) Preferential treatment enjoyed by either Contracting Party by virtue of its participation or eventual participation in a customs union or free-trade area.

Article 3. The Contracting Parties agree to grant each other favourable treatment in respect of the trade regime and licensing system equivalent to that granted to third countries. In the case of an obvious imbalance in trade, the Party registering a surplus shall endeavour to take effective action to increase imports from the Party registering a deficit in order to correct the imbalance.

Article 4. The Contracting Parties agree that goods to be traded between the two countries may be re-exported to third countries provided that the competent authorities of the exporting country have been given prior notification in writing.

The Contracting Parties shall make the necessary efforts to foster direct trade between the two countries so far as possible.

Article 5. The Contracting Parties agree that the import and export of goods between the two countries shall be carried out in accordance with the provisions of this Agreement and under contracts signed between State trading companies of the

¹ Applied provisionally from 19 June 1978, the date of signature, and came into force definitively on 30 October 1979, the date of the last of the notifications (effected on 6 November 1978 and 30 October 1979) by which the Contracting Parties informed each other of the completion of their respective legal provisions, in accordance with article 10.

People's Republic of China and individuals and corporations of the Kingdom of Spain engaged in foreign trade. Trade shall be conducted on the basis of the international prices current in major markets for the relevant goods.

Article 6. Payments relating to international trade or other transactions between the two countries shall be made in fully convertible currencies to be agreed upon by both Parties, in accordance with the exchange-control regulations in force in each country.

Article 7. Both Contracting Parties agree to grant each other, within the scope of their respective laws and regulations, the facilities necessary for participating in fairs and organizing trade exhibitions, and to promote visits by individuals, groups and delegations connected with trade on a basis of reciprocity, and shall authorize the import and export of articles for use in fairs and exhibitions and samples of merchandise on terms no less favourable than those granted to any third country.

Article 8. Each Contracting Party shall recognize the trade documents and certificates of quality and inspection issued by the relevant authorities of the other Contracting Party in accordance with its regulations. The Contracting Parties reserve the right to carry out the necessary checks in order to verify the above-mentioned certificates.

Article 9. The Contracting Parties agree to establish a Sino-Spanish Joint Commission for the purpose of monitoring the implementation of this Agreement, formulating such recommendations as it may deem appropriate and taking the necessary action gradually to increase trade between the two countries. The Joint Commission shall meet alternately at Peking and Madrid whenever the Contracting Parties deem this necessary.

Article 10. The Agreement shall be applied provisionally from the date of its signature and shall enter into force on the date on which the Contracting Parties confirm by an exchange of notes that they have complied with their respective legal provisions in respect of the conclusion and entry into force of international agreements.

This Agreement shall remain in force for a period of three years from the date of its entry into force. The Agreement shall be automatically renewed for successive one-year periods unless it is denounced in writing by either Party three months prior to the expiration of such period.

Termination of this Agreement shall not affect the validity or performance of contracts concluded hereunder.

DONE at Peking on 19 June 1978, in two copies, in the Spanish and Chinese languages, both texts being equally authentic.

For the Government
of the Kingdom of Spain:

[Signed]

MARCELINO OREJA AGUIRRE
Minister for Foreign Affairs

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

[Signed]

LI CHIANG
Minister of Foreign Trade

EXCHANGE OF NOTES

I

Peking, 19 June 1978

Sir,

For the purpose of implementing the provisions of article 3 of the Trade Agreement between the Government of the Kingdom of Spain and the Government of the People's Republic of China, signed today, both Contracting Parties agree as follows: in the case of an obvious trade imbalance between the two contracting countries, if the Party registering a surplus does not take effective action to correct the imbalance, the Party registering a deficit may monitor the granting of import licences as it deems appropriate.

I hereby request you to confirm the above.

Accept, Sir, etc.

[MARCELINO OREJA AGUIRRE]

His Excellency Li Chiang
Minister of Foreign Trade of the Government
of the People's Republic of China

II

Peking, 19 June 1978

Sir,

I acknowledge receipt of your letter of today's date, which reads as follows:

[See note I]

I have the honour to confirm my agreement with the foregoing.

Accept, Sir, etc.

[LI CHIANG]

His Excellency Marcelino Oreja Aguirre
Minister for Foreign Affairs of the Government
of the Kingdom of Spain
