

No. 19480

**UNION OF SOVIET SOCIALIST REPUBLICS
and
ITALY**

**Long-term Programme for the strengthening of economic
and industrial co-operation (with annexes). Signed at
Rome on 29 October 1975**

**Protocol to the above-mentioned Programme (with an-
nex). Signed at Rome on 27 October 1979**

Authentic texts: Russian and Italian.

*Registered by the Union of Soviet Socialist Republics on 23 December
1980.*

**UNION DES RÉPUBLIQUES SOCIALISTES
SOVIÉTIQUES
et
ITALIE**

**Programme à long terme pour le renforcement de la
coopération économique et industrielle (avec an-
nexes). Signé à Rome le 29 octobre 1975**

**Protocole au Programme susmentionné (avec annexe).
Signé à Rome le 27 octobre 1979**

Textes authentiques: russe et italien.

*Enregistrés par l'Union des Républiques socialistes soviétiques le 23 dé-
cembre 1980.*

[TRANSLATION — TRADUCTION]

LONG-TERM PROGRAMME¹ FOR THE STRENGTHENING OF ECONOMIC AND INDUSTRIAL CO-OPERATION BETWEEN THE USSR AND ITALY

In accordance with the Agreement between the Government of the Union of Soviet Socialist Republics and the Government of the Italian Republic on the development of economic, industrial and technical co-operation, concluded on 25 July 1974,² the Parties have formulated the following Long-term Programme.

The Programme shall contribute to the practical realization of the principles and purposes of the Agreement. A particular aim is the improved utilization, in the interests of both Parties, of the raw materials, energy resources, technology, equipment and consumer goods of the two countries.

In accordance with the Agreement, and to the best of their ability, the Parties shall encourage the participation of appropriate organizations, enterprises and firms in the execution of specific projects in the field of economic and industrial co-operation.

1. CO-OPERATION IN THE CONSTRUCTION OF INDUSTRIAL COMPLEXES IN THE USSR AND IN ITALY, AND ALSO IN THE MODERNIZATION AND EXPANSION OF EXISTING ENTERPRISES

The Parties consider that the participation of organizations, enterprises, firms and banks of one country in the planning and construction of industrial complexes and in the modernization and expansion of existing enterprises of the other country is an important form of economic and industrial co-operation with a view to the improved utilization of their economic and industrial potential.

The Parties proceed from the assumption that the equipment and technological processes involved will be in keeping with the latest technological advances and will be offered on competitive terms.

In so far as possible, the Parties shall endeavour to facilitate the conclusion of contracts relating to the aforesaid projects, and in particular to large-scale projects.

In implementing such projects and having regard to the particular importance of certain projects, both Parties shall take measures under this Programme to ensure that any deliveries on a delayed-payment basis are subject to the most favourable possible credit terms in the context of the pertinent regulations in force in the two countries.

¹ Came into force on 29 October 1975 by signature.

² See p. 227 of this volume.

A list of possible co-operation projects in this field is given in annex 1.

2. CO-OPERATION IN THE CONSTRUCTION OF INDUSTRIAL ENTERPRISES IN THE USSR ON A COUNTER-TRADE BASIS

The two Parties recognize that there are significant opportunities for the participation of Italian firms in the construction of industrial enterprises in the USSR, including enterprises for the extraction and processing of raw materials, on a counter-trade basis.

Such co-operation may involve deliveries by Italian firms, possibly on a delayed-payment basis, of complete sets of equipment, materials, technical documentation and know-how, payment for which may be made in full or in part in the form of deliveries of products from these enterprises which are advantageous for the Italian economy.

Deliveries of such products may continue, if the arrangement is of mutual interest, even after the repayment of credits, on the basis of contracts between interested organizations and firms.

A list of possible co-operation projects in this field is given in annex 2.

3. DEVELOPMENT OF INDUSTRIAL CO-OPERATION BETWEEN SOVIET AND ITALIAN ORGANIZATIONS AND FIRMS, INCLUDING JOINT PRODUCTION

The Parties consider that the development of industrial co-operation and the joint production of goods designed to meet the needs of the USSR and Italy can play an important role in strengthening Soviet-Italian co-operation.

The Parties note that sectoral Soviet-Italian working groups can be of considerable assistance in identifying co-operation projects in the area of industrial collaboration, including joint production.

A list of possible co-operation projects in this field given in annex 3.

4. PROSPECTS FOR EXPANDING THE RECIPROCAL EXCHANGE OF GOODS AND SERVICES

The Parties consider that the practical implementation of this Programme will create favourable conditions for developing exchanges of goods between the two countries and improving the structure of such exchanges, and also for achieving greater equilibrium in the trade balances of the two countries.

Together with an overall increase in the trade turnover between the two countries, the Parties shall, within the framework of the legislation in force, encourage initiatives to promote increased deliveries, on competitive terms, from the USSR to Italy of various types of finished industrial products, including machinery and equipment, in addition to traditional export items, the sale of licences and patents for modern technology, and also increased deliveries from Italy to the USSR of machinery and equipment, iron and steel products, chemical products and consumer goods.

The Parties also consider it desirable, if the arrangement is of mutual interest, to make wider use of the practice of concluding long-term contracts for the supply of goods and services where appropriate.

Annex 4 contains an illustrative list of goods for which prospects for a further expansion of trade may exist.

This Programme is in the nature of a recommendation for organizations, enterprises and firms of the two countries which are involved in the practical realization of economic and industrial co-operation. Such co-operation shall be effected through the conclusion of agreements and contracts between the competent Soviet organizations and Italian enterprises and firms in accordance with the laws and regulations in force in each country.

The Parties have agreed to assist in the conclusion of agreements and contracts to the best of their ability. The implementation of the co-operation projects provided for in this Programme may be effected on the basis of mutual agreements, involving either cash payments or credit, including commercial credits.

The Parties have agreed that the procedure and conditions for the provision of credits and financing considered necessary for the execution of individual co-operation projects included in this Programme shall be determined in special financing agreements between the two Parties.

Such agreements shall, in particular, determine the amount of the credit, its duration, the rate of interest, the currency of payment, the minimum amount involved in the contract and the proportion to be paid in cash, in the case of contracts for which such credit may be used.

In accordance with the aforesaid financial agreements, individual co-operation contracts shall be negotiated by the Soviet foreign trade organizations and the Italian enterprises and firms, in accordance with the laws and regulations in force in the two countries.

The Parties shall pay particular attention to the consideration of projects to be implemented on a counter-trade basis taking account of the effects which the implementation of these projects may have for the economies of both countries.

This Programme does not exhaust all possible fields and subjects of co-operation between the two countries. In the course of implementation of the measures envisaged therein, the Programme shall be defined in greater detail and supplemented by agreement between the two Parties, in the light of any new needs and possibilities that may arise.

The Parties shall meet, as a rule, at least twice a year in order to review the progress made in the implementation of the Programme to exchange the necessary information and formulate suitable measures.

DONE at Rome on 29 October 1975, in duplicate in the Russian and Italian languages, both texts being equally authentic.

For the Government
of the Union of Soviet
Socialist Republics:

[N. PATOLICHEV]

For the Government
of the Italian Republic:

[M. RUMOR]

ANNEX No. 1

LIST OF INDUSTRIAL FACILITIES WHICH CAN BE CONSTRUCTED IN THE USSR AND ITALY
ON THE BASIS OF POSSIBLE DELIVERIES OF EQUIPMENT, LICENCES AND TECHNICAL
DOCUMENTATIONA. *In the USSR*

Equipment for machine-tool industry enterprises, particularly for the production of:

- Complete automation lines for sheet-metal stamping;
- Diamond-boring, super-finishing and honing machines;
- Precision and gear-cutting instruments with a preparation unit;
- Equipment for the manufacture of precision and instrument bearings.

Equipment for power-plant engineering works.

Equipment for automobile and tractor plants, including the Kama lorry plant, *inter alia*, for the production of diesel motors.

Equipment and installations for the iron and steel industry.

Equipment and installations for port facilities.

Equipment for the manufacture of radio-electronic components.

Equipment for oil-refining and gas-industry enterprises, in particular, for:

- Gas refineries;
- The production of highly-purified normal paraffin;
- Gas pipelines and gas-field facilities;
- Gas-compression stations.

Equipment for chemical and petrochemical industry enterprises, *inter alia*, for the production of:

- Rubber goods and automobile tyres;
- The amino-acid lysine and citric acid;
- Dispersion and other dyes;
- Pesticides.

Equipment for the production of pharmaceutical products.

Equipment for the production of units and components for electric motors.

Equipment for the production of semiconductor instruments.

Equipment for food- and light-industry enterprises, in particular:

- For the production of tomato paste;
- Worsted spinning machinery;
- Tanning equipment;
- Packing equipment.

Equipment for the construction-material industry, *inter alia*, for the extraction and finishing of marble, granite and other facing stones.

Equipment for the production of consumer goods.

B. *In Italy*

Equipment for the metallurgical industry.

Metal-cutting lathes and forging and compacting equipment.

Power-industry equipment.

Equipment for chemical and petrochemical-industry enterprises, in particular:

- A plant for the production of sulphuric acid;
- A plant for the production of high-octane petrol;
- A plant for the production of silicon carbide.

Equipment for the construction of underground railways in large Italian cities.

Equipment for other industrial plants.

ANNEX No. 2

LIST OF POSSIBLE CO-OPERATION PROJECTS FOR THE CONSTRUCTION OF INDUSTRIAL ENTERPRISES IN THE USSR ON A COUNTER-TRADE BASIS

Chemical industry

Complete equipment, technical documentation and licences for the production of 450,000 tons of carbamide per year.

Complete equipment, technical documentation and licences for the production of 150,000 tons of acrylonitrile per year.

Complete equipment, technical documentation and licences for the production of 100,000 tons of titanium dioxide per year.

Complete equipment, technical documentation and licences for two plants for the production of 30,000 tons of chlorofluoromethane per year per plant.

Complete equipment, technical documentation and licences for the production of 100,000 tons of nitrilacrylic fibre per year.

Complete equipment, technical documentation and licences for the production of 150,000 tons of toluene caprolactam per year.

Complete equipment, technical documentation and licences for the production of 600/300,000 tons of ethylene propylene per year.

Complete equipment, technical documentation and licences for the production of 200,000 tons of ethylene oxide per year.

Complete equipment, technical documentation and licences for the production of 200,000 tons of methanol per year.

Complete equipment, technical documentation and licences for the production of 155,000 tons of caustic soda per year and 136,000 tons of chlorine per year, and the production of metal anodes.

Complete equipment, technical documentation and licences for the production of 100,000 tons of polypropylene per year.

Complete equipment, technical documentation and licences for the production of 200,000 tons of glass fibre per year.

Gas industry

Equipment, pipes and materials for the gas industry.

Non-ferrous metallurgy

Equipment for the production of 45,000 tons of flat composite copper-alloy rolled products (sheets, bands and strips of bronze, composite brass and copper-nickel alloys) per year.

Equipment for the production of aluminium sheets and bands.

Cellulose and paper industry

Equipment for the production of 100,000 to 200,000 tons of cellulose from hardwood per year.

Plant equipment for the manufacture of road-building machinery.

Co-operation in the extraction, processing and transport of minerals, including coal and iron ore.

ANNEX No. 3

LIST OF POSSIBLE PROJECTS FOR INDUSTRIAL CO-OPERATION BETWEEN SOVIET ORGANIZATIONS AND ITALIAN FIRMS

In the production of:

- Electro-sparking machines with programmed control;
- ATPR-160 pneumatic looms;
- New types of circular knitting machines with large-diameter drums;
- Equipment for the manufacture of ceramic tiles;
- Standardized compressor stations for cross-country gas pipelines;
- High terminal-pressure centrifugal compressors (greater than 200 atm) and centrifugal-compressor terminal seals for compressing special gases.

In drawing up new projects in the metallurgical industry, *inter alia*, in the production of:

- Cold-rolled tin plate and steel sheets and strips with different metal and polymer coatings;
- Hot-rolled strips of high-strength stainless steel with the use of a planetary mill;
- Cold-rolled transformer steel;
- Rolled wide-flange beams from cast bloom.

In the production of installations for the utilization of dust from metallurgical units (blast furnaces, converters and electric furnaces).

In the mechanization of labour-consuming operations in the cleaning of liquid smelting products in casting pits of blast furnaces and also storehouses for iron ore, including preparation, blending and transport.

In developing automobile production at the Volga automobile plant.

In the production of equipment for nuclear-power plants (nuclear reactors, pumps, etc.).

ANNEX No. 4

LIST OF FIELDS IN WHICH THERE ARE PROSPECTS FOR EXPANDING THE RECIPROCAL EXCHANGE OF GOODS AND SERVICES

A. *From the Soviet Union to Italy*

Machinery, equipment and licences, including:

- Metal-cutting lathes
- Press-forging equipment
- Power-generating equipment

- Electrical-engineering equipment
- Metallurgical equipment
- Tanks for petroleum and petroleum products
- Textile-industry equipment
- Equipment for the wood-working industry and wood-pulp and paper industry
- Picture tubes, *inter alia*, for colour television
- Means of air transport
- Ships and ships' equipment
- Automobiles, lorries and motorcycles

Coal

Petroleum

Petroleum products, including;

- Straight-run petrol
- Diesel fuel
- Fuel oil
- Paraffin

Natural gas

Iron ore

Chromium ore

Ferroalloys

Platinum

Palladium

Rhodium

Chemical products, including:

- Dichromate of sodium
- Benzene
- Ammonia
- Acrylonitrile
- Titanium dioxide
- Methanol
- Potassium chloride
- Carbamide

Potash salts

Granite

Prefabricated houses

Sawn timber

Cellulose

Cotton

Salt fish

Canned salmon

Vodka

Uranium enrichment services

B. From Italy to the Soviet Union

Machinery and equipment, including:

- Metal-cutting and other lathes
- Equipment for metal-working industry enterprises, including presses
- Power and electrical engineering equipment
- Equipment for the petroleum-refining industry
- Lifting and conveying equipment
- Equipment for the food industry and light industry
- Equipment for the textile industry
- Equipment for the chemical industry
- Equipment for the building-materials industry
- Pump and compressor equipment
- Industrial fittings
- Equipment for the jewellery industry
- Equipment for animal-husbandry complexes
- Printing equipment
- Computer equipment
- Instruments, scientific apparatus and laboratory equipment
- Equipment for the medical and pharmaceuticals industry
- Equipment for hotels
- Air-traffic control equipment
- Ships and ship repair

Antifriction bearings

Sheet-ferrous metal, including transformer steel

Pipes

Chemical and pharmaceutical products

Fibres and yarn

Citrus fruits

Wines and vermouth

Industrial consumer goods, including:

- Fabrics
 - Sewn goods
 - Knitwear
 - Leather footwear
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[TRANSLATION—TRADUCTION]

PROTOCOL¹ TO THE LONG-TERM PROGRAMME FOR THE STRENGTHENING OF ECONOMIC AND INDUSTRIAL CO-OPERATION BETWEEN THE USSR AND ITALY²

The Government of the Union of Soviet Socialist Republics and the Government of the Italian Republic,

Referring to the provisions of the Agreement on the development of economic, industrial and technical co-operation of 25 July 1974,³ and of the Long-term Programme for the strengthening of economic and industrial co-operation of 29 October 1975,²

Noting with satisfaction the significant progress made in the field of economic co-operation between the USSR and Italy,

Confirming their desire, in keeping with the principles and all the provisions contained in the Final Act of the Conference on Security and Co-operation in Europe, signed at Helsinki on 1 August 1975,⁴ to develop and further strengthen their mutually advantageous economic co-operation,

Have noted and agreed upon the following:

1. As a result of the measures taken by both Parties, the Long-term Programme for the strengthening of economic and industrial co-operation of 29 October 1975 is being successfully implemented and is contributing to the expansion of economic relations between the USSR and Italy on a long-term basis.

2. With regard to the participation of Italian firms in the construction of industrial facilities in the USSR, contracts have been concluded between Soviet foreign trade organizations and Italian firms for the supply of equipment, in particular for the Kama automobile complex for the chemical, petrochemical and gas industries, for the light industry and the food industry sectors, and for other industrial sectors.

With regard to the participation of Soviet organizations in the construction of industrial facilities in Italy, the two Parties have agreed to pursue their efforts and to seek new possibilities in that direction.

With a view to expanding these forms of co-operation, the two Parties have agreed to supplement the Long-term Programme with the projects listed under items A and B of the annex to this Protocol.

3. The two Parties have noted the significant development of bilateral long-term economic co-operation in the construction of industrial enterprises on counter-trade basis in the USSR.

¹ Came into force on 27 October 1979 by signature.

² See p. 261 of this volume.

³ See p. 227 of this volume.

⁴ *International Legal Materials*, vol. 14 (1975), p. 1292 (American Society of International Law).

In this area a number of important agreements and contracts have been concluded between Soviet foreign trade organizations and Italian firms, in particular for deliveries of Soviet natural gas to Italy and for deliveries to the USSR of equipment, pipes and materials for the gas industry and for the construction of gas pipelines, and for deliveries of equipment for the production of carbamide, acrylonitrile, chlorofluoromethanes, caustic soda, chlorine, metal anodes, toluene caprolactam, and polypropylene.

With a view to further expanding this form of co-operation, the Parties envisage the possibility of co-operation, supplementary to the Long-term Programme, in the construction of enterprises in the USSR in the chemical, petrochemical and oil-refining sectors involving deliveries of machinery, licences and technical documentation.

4. The two Parties have reaffirmed their willingness to do their utmost to facilitate the contract of negotiations between competent Soviet organizations and Italian firms on the industrial co-operation projects specified in annex 3 to the Long-term Programme.

5. Co-operation on the projects listed in the annex to this Protocol shall be carried out in accordance with the provisions of the Agreement of 25 July 1974 and the Long-term Programme of 29 October 1975.

6. This Protocol constitutes an integral part of the Long-term Programme signed on 29 October 1975.

DONE at Rome on 27 October 1979, in duplicate in the Russian and Italian languages, both texts being equally authentic.

For the Government
of the Union of Soviet
Socialist Republics:

[N. PATOLICHEV]

For the Government
of the Italian Republic:

[F. M. MALFATTI]

ANNEX

LIST OF INDUSTRIAL FACILITIES WHICH CAN BE CONSTRUCTED IN THE USSR AND ITALY ON THE BASIS OF POSSIBLE DELIVERIES OF EQUIPMENT, LICENCES AND TECHNICAL DOCUMENTATION

A. In the USSR

1. Equipment for the Volgodonsk nuclear-power engineering plant;
2. Equipment for the tyre industry, including tyre assembly machines and technological transport systems;
3. Equipment for the Cheboksary industrial-truck plant;
4. Equipment and machines for the aircraft industry;
5. Equipment for the production of para-xylene and ortho-xylene;
6. Equipment for the production of cleansing agents;
7. Equipment for the production of alkyl phenol;
8. Equipment for the production of polymethyl metacrylates;

9. Rolling mills for the production of aluminium foil, sections, etc.;
10. Equipment for the production of inductosyn;
11. Radio-relay communication equipment;
12. Equipment for the wood-working industry, including «Skom» machines to manufacture containers;
13. Equipment for the manufacture of fittings;
14. Equipment to expand the Volga automobile plant.

B. In Italy

1. Railway-construction machines and equipments;
 2. Machines and equipment for light-industry enterprises;
 3. Machines and equipment for food-industry enterprises;
 4. Machines and equipment for stone-crushing plants;
 5. Machines and equipment for plastic-processing plants;
 6. Road-building equipment;
 7. Agricultural equipment, including tractors;
 8. Rolling mills for the manufacture of railway and automobile axles;
 9. «GUBT» gas-turbine plants;
 10. Equipment coating rollers;
 11. Air-separation plants;
 12. Plants equipment for electrohydraulic cleaning of castings.
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