

No. 18463

**FEDERAL REPUBLIC OF GERMANY
and
TURKEY**

**Agreement concerning financial assistance (with annex).
Signed at Bonn on 7 April 1978**

Authentic texts: German, Turkish and English.

Registered by the Federal Republic of Germany on 28 March 1980.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
TURQUIE**

**Accord d'aide financière (avec annexe). Signé à Bonn le
7 avril 1978**

Textes authentiques : allemand, turc et anglais.

Enregistré par la République fédérale d'Allemagne le 28 mars 1980.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
REPUBLIC OF TURKEY CONCERNING FINANCIAL ASSIST-
ANCE

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

In the spirit of the friendly relations existing between the Federal Republic of Germany and the Republic of Turkey,

Desiring to strengthen and intensify those friendly relations by fruitful cooperation in the field of development assistance,

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

Intending to contribute to economic and social development in the Republic of Turkey,

Have agreed as follows:

Article 1. The Government of the Federal Republic of Germany shall extend to the Government of the Republic of Turkey bilateral financial assistance in accordance with the provisions of articles 2 to 8 of the present Agreement, to enable it to realize the objectives of its Development Plan within the framework of the Consortium for Turkey of the Organization for Economic Cooperation and Development (OECD).

Article 2. (1) The Government of the Federal Republic of Germany shall enable the Government of the Republic of Turkey to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, a loan up to DM 50,000,000 (fifty million Deutsche Mark).

(2) The loan shall be used to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements by the list annexed to the present Agreement and for which supply or service contracts have been concluded after 1 January 1978.

Article 3. (1) The loan referred to in article 2 of the present Agreement shall have a maturity of thirty years including a grace period of ten years. The rate of interest shall be two percent per annum.

(2) The utilization of the loan as well as the terms and conditions on which it is granted shall be governed by the provisions of the agreements to be concluded between the Türkiye Cumhuriyet Merkez Bankası and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany. The Merkez Bankası shall in this connection act on behalf of the Government of the Republic of Turkey.

¹ Came into force on 27 April 1978, the date on which the Government of Turkey informed the Government of the Federal Republic of Germany that their legislative requirements had been fulfilled, with retroactive effect from 7 April 1978, the date of signature, in accordance with article 8.

Article 4. The Government of the Republic of Turkey shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Republic of Turkey at the time of the conclusion, or during the implementation, of the agreements referred to in article 3 (2) of the present Agreement.

Article 5. The Government of the Republic of Turkey shall allow passengers and suppliers free choice of transport enterprises for such transportation by land, sea or air of persons and goods as results from the granting of the loan, abstain from taking any measures that might exclude or impair the participation on equal terms of transport enterprises having their place of business in the German area of application of the present Agreement, and grant permits for the participation of such enterprises as required.

Article 6. With regard to supplies and services resulting from the granting of the loans, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential of Land Berlin.

Article 7. With the exception of those provisions of article 5 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 Turkey within three months of the date of entry into force of this Agreement.

Article 8. The present Agreement shall enter into force retroactively on the date of signature thereof as soon as the Government of the Republic of Turkey has informed the Government of the Federal Republic of Germany that the national requirements of the Republic of Turkey for the entry into force of the Agreement have been fulfilled.

DONE at Bonn on 7 April 1978, in duplicate in the German, Turkish and English languages, all three texts being equally authentic. In case of divergent interpretations of the German and Turkish texts, the English text shall prevail.

For the Government
of the Federal Republic of Germany:

[Signed — Signé]¹

For the Government
of the Republic of Turkey:

[Signed — Signé]²

ANNEX TO THE AGREEMENT OF 7 APRIL 1978 BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE REPUBLIC OF TURKEY CONCERNING FINANCIAL ASSISTANCE

LIST OF GOODS AND SERVICES ELIGIBLE FOR FINANCING FROM THE LOAN UP TO A TOTAL VALUE OF DM 50,000,000 (FIFTY MILLION DEUTSCHE MARK) UNDER ARTICLE 2 OF THE AGREEMENT OF 7 APRIL 1978

- a) Industrial raw and auxiliary materials as well as semi-manufactures,
- b) Industrial equipment as well as agricultural machinery and implements,
- c) Spare parts and accessories of all kinds,
- d) Chemical products,

¹ Signed by Peter Hermes — Signé par Peter Hermes.

² Signed by V. Halefoglu — Signé par V. Halefoglu.

- e)* Advisory services and licence fees,
- f)* The costs of transport, insurance and assembly arising in connection with the importation of goods financed under the present Agreement.

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

The importation of consumer goods for personal needs, especially luxury goods, as well as any goods and facilities serving military purposes, may not be financed from the loan.
