

No. 18386

**FEDERAL REPUBLIC OF GERMANY
and
SRI LANKA**

**Agreement concerning financial co-operation (with annex).
Signed at Colombo on 19 June 1978**

Authentic texts: German, Sinhalese and English.

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

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
SRI LANKA**

**Accord de coopération financière (avec annexe). Signé à
Colombo le 19 juin 1978**

Textes authentiques : allemand, cinghalais 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 SRI LANKA CONCERNING FINANCIAL CO-
OPERATION

The Government of the Federal Republic of Germany and the Government of the Republic of Sri Lanka,

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

Desiring to strengthen and intensify those friendly relations by fruitful co-operation 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 Sri Lanka,

Have agreed as follows:

Article 1. The Government of the Federal Republic of Germany shall enable the Government of the Republic of Sri Lanka or another borrower to be jointly selected by the two Governments to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, a loan up to DM 31,000,000 (thirty-one million Deutsche Mark) to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements and the foreign exchange and internal costs of transport, insurance and assembly arising in connection with the importation of goods financed under this Agreement. The supplies and services must be such as are covered by the list annexed to and forming an integral part of the present Agreement, for which supply or service contracts have been concluded after 31 December 1977.

Article 2. (1) 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 borrower and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

(2) The Government of the Republic of Sri Lanka, to the extent that it is not itself the borrower, and the Central Bank of the Republic of Sri Lanka shall guarantee to the Kreditanstalt für Wiederaufbau all payments in Deutsche Mark to be made in fulfilment of the borrower's liabilities under the agreements to be concluded pursuant to paragraph 1 above.

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

¹ Came into force on 19 June 1978 by signature, in accordance with article 7.

Article 4. The Government of the Republic of Sri Lanka 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 5. With regard to supplies and services resulting from the granting of the loan, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential of Land Berlin.

Article 6. With the exception of those provisions of article 4 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 Sri Lanka within three months of the date of entry into force of this Agreement.

Article 7. The present Agreement shall enter into force on the date of signature thereof.

DONE at Colombo on 19 June 1978 in duplicate in the German, Sinhala and English languages, all three texts being authentic. In case of divergent interpretations of the German and Sinhala 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 Sri Lanka:

[Signed — Signé]²

ANNEX TO THE AGREEMENT OF 19 JUNE 1978 BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE REPUBLIC OF SRI LANKA CONCERNING FINANCIAL CO-OPERATION

List of goods and services which under article 1 of the Agreement referred to above may be financed from the loan up to the amount of DM 31,000,000 (thirty-one million Deutsche Mark):

1. Up to the amount of DM 26 million: locomotives as well as accessories and spares for locomotives;
2. Up to the amount of DM 5 million:
 - (a) Chemical products for the industrial and agricultural sectors, including fertilizers and medicaments;
 - (b) Industrial and agricultural equipment, accessories and spares;
 - (c) Auxiliary products and raw materials for the industrial development of Sri Lanka;
 - (d) Spares for the railways of Sri Lanka;

¹ Signed by Wöckel — Signé par Wöckel.

² Signed by Tilakaratne — Signé par Tilakaratne.

- (e) Lorries and other non-passenger transport vehicles as well as spares;
- (f) Consulting services, patents, licences.

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.
