

No. 18607

**UNITED STATES OF AMERICA
and
EGYPT**

**Economic, Technical and Related Assistance Agreement
(with exchanges of notes). Signed at Cairo on 16 August
1978**

Authentic texts: English and Arabic.

Registered by the United States of America on 18 April 1980.

**ÉTATS-UNIS D'AMÉRIQUE
et
ÉGYPTE**

**Accord d'assistance économique, technique et connexe
(avec échanges de notes). Signé au Caire le 16 août
1978**

Textes authentiques : anglais et arabe.

Enregistré par les États-Unis d'Amérique le 18 avril 1980.

ARAB REPUBLIC OF EGYPT—ECONOMIC, TECHNICAL, AND RELATED ASSISTANCE AGREEMENT¹

The Government of the United States of America and the Government of the Arab Republic of Egypt have agreed as follows:

1. The Government of the United States of America will furnish such economic, technical, and related assistance hereunder as may be requested by representatives of the appropriate agency or agencies of the Government of the Arab Republic of Egypt and approved by representatives of the agency designated by the Government of the United States of America to administer its responsibilities hereunder, or as may be requested and approved by other representatives designated by the Government of the United States of America and the Government of the Arab Republic of Egypt. The furnishing of such assistance shall be subject to applicable United States laws and regulations. It shall be made available in accordance with arrangements agreed upon between the above-mentioned representatives.

2. The Government of the Arab Republic of Egypt will make the full contribution permitted by its manpower, resources, facilities, and general economic condition in furtherance of the purposes for which assistance is made available hereunder; will take appropriate steps to assure the effective use of such assistance; will co-operate with the Government of the United States of America to assure that procurement will be at reasonable prices and on reasonable terms; will, without restriction, permit continuous observation and review by United States representatives of programs and operations hereunder, and records pertaining thereto; will provide the Government of the United States of America with full and complete information concerning such programs and operations and other relevant information which the Government of the United States of America may need to determine the nature and scope of operations and to evaluate the effectiveness of the assistance furnished or contemplated; and will give to the people of the Arab Republic of Egypt full publicity concerning programs and operations hereunder. With respect to cooperative technical and economic assistance programs hereunder, the Government of the Arab Republic of Egypt will provide sufficient support as to ensure the attainment of agreed program goals; will, to the maximum extent possible, seek full coordination and integration of technical and economic co-operation programs being carried on in the Arab Republic of Egypt, and will cooperate with other nations participating in such programs in the mutual exchange of technical knowledge and skills.

3. In any case where commodities or services are furnished on a grant basis under arrangements which will result in the accrual of proceeds to the Government of the Arab Republic of Egypt from the import or sale of such commodities or services, the Government of the Arab Republic of Egypt, except as may otherwise be mutually agreed upon by the representatives referred to in paragraph 1 hereof, will establish in its own name a Special Account in the National Bank of Egypt; will deposit promptly in such Special Account the amount of local currency equivalent to such proceeds; and, upon notification from time to time by

¹ Came into force on 15 October 1978, upon signature and ratification, in accordance with paragraph 9.

the Government of the United States of America of its local currency requirements for programs and operations hereunder, will make available to the Government of the United States of America, in the manner requested by that Government, out of any balances in the Special Account, such sums as are stated in such notification to be necessary for such requirements. The Government of the Arab Republic of Egypt may draw upon any remaining balances in the Special Account for such purposes beneficial to the Arab Republic of Egypt as may be agreed upon from time to time by representatives referred to in paragraph 1 hereof. Any unencumbered balances of funds which remain in the Special Account upon termination of assistance hereunder to the Government of the Arab Republic of Egypt shall be disposed of for such purposes as may be agreed upon by the representatives referred to in paragraph 1 hereof.

4. The Government of the United States of America and the Government of the Arab Republic of Egypt agree that a special mission will be received by the Government of the Arab Republic of Egypt to carry out and discharge the responsibilities of the Government of the United States of America under this Agreement. The Government of the United States of America and the Government of the Arab Republic of Egypt further agree that the special mission will enjoy the same inviolability of premises as is extended to the diplomatic mission of the United States of America and that the Government of the Arab Republic of Egypt shall accord all United States Government employees who are United States citizens and their families in Egypt to perform work in connection herewith the same immunity as is accorded by the Government of the Arab Republic of Egypt to the personnel of comparable rank of the Embassy of the United States of America in Egypt. These employees will be subject to the same obligations and responsibilities as apply to members of the Embassy of the United States of America.

5. In order to assure the maximum benefits to the people of the Arab Republic of Egypt from the assistance to be furnished hereunder:

- (a) Any supplies, material or equipment introduced into or acquired in the Arab Republic of Egypt by the Government of the United States of America, or any American contractor financed by that Government for purposes of any program or project conducted hereunder, shall, while such supplies, material or equipment are used in connection with such a program or project, be exempt from any taxes on ownership or use of property and any other taxes in the Arab Republic of Egypt, and the import, export, purchase, use, or disposition of any such supplies, material or equipment in connection with such a program or project shall be exempt from any tariffs, customs duties, import and export taxes, taxes on purchase or disposition of property, and other taxes or similar charges in the Arab Republic of Egypt. No tax (whether in the nature of an income, profit, business, or other tax), duty, or fee of whatsoever nature shall be imposed upon any American contractor financed by the Government of the United States of America hereunder. For the purposes of this Agreement the term "American contractor" shall include individuals who are citizens or legal residents of the United States of America, corporations or partnerships organized under the laws of the United States of America, foreign corporations a majority of whose total stock is owned by United States shareholders, and joint ventures or unincorporated associations consisting entirely of individuals, corporations or partnerships which fit any of the foregoing categories.

- (b) All United States citizen personnel (and their families), whether (i) employees of the Government of the United States of America or any agency thereof, (ii) individuals under contract with, or employees of public or private organizations under contract with the Government of the Arab Republic of Egypt, or any agency thereof, or (iii) individuals under contract with or financed by, or employees of public or private organizations under contract with or financed by, the Government of the United States of America, or any agency thereof, who are present in the Arab Republic of Egypt or perform work in connection with this Agreement shall be exempt from income and social security taxes levied under the laws of the Arab Republic of Egypt and from taxes on the purchase, ownership, use or disposition of personal moveable property (including automobiles) intended for their own use. Such personnel (and their families) shall be exempt from customs, import, and export duties on all personal effects, equipment and supplies (including food, beverages and tobacco), imported into the Arab Republic of Egypt for their own use, and from all other duties and fees.
- (c) Funds introduced into the Arab Republic of Egypt by the Government of the United States of America for purposes of furnishing assistance hereunder shall be convertible into currency of the Arab Republic of Egypt at the highest rate prevailing and declared for foreign currency by the competent authorities of the Arab Republic of Egypt.

6. The Government of the United States of America and the Government of the Arab Republic of Egypt will establish procedures whereby the Government of the Arab Republic of Egypt will so deposit, segregate, or assure title to all funds allocated to or derived from any program of assistance undertaken hereunder by the Government of the United States of America as to assure that such funds shall not be subject to garnishment, attachment, seizure, or other legal process by any person, firm, agency, corporation, organization, or government when the Government of the Arab Republic of Egypt is advised by the Government of the United States of America that such legal process would interfere with the attainment of the objectives of the program of assistance hereunder.

7. All or any part of any program of assistance provided hereunder may, except as may otherwise be provided in arrangements agreed upon pursuant to paragraph 1 hereof, be terminated by either Government if that Government determines that because of changed conditions the continuation of such assistance is unnecessary or undesirable. The termination of such assistance under this provision may include the termination of deliveries of any commodities hereunder not yet delivered.

8. This Agreement may be modified by mutual agreement in writing of the parties hereto.

9. This Agreement shall enter into force upon signature and any necessary ratification.

10. This Agreement shall remain in force until thirty days after the receipt by either Government of written notification of the intention of the other to terminate it. Notwithstanding any such termination, however, the provisions hereof shall remain in full force and effect with respect to assistance theretofore furnished.

11. The Point IV General Agreement for Technical Cooperation between the parties signed at Cairo on May 5, 1951, and the agreements effected by exchanges of notes between the parties hereto, dated February 21 and 25, 1952,¹ February 23 and 24, 1954,² and November 6, 1954,³ are hereby terminated with respect to their application in the Arab Republic of Egypt.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement at Cairo, Egypt, in duplicate on the 16th day of August 1978.

For the Government
of the United States of America:

[Signed]

By: HERMANN FR. EILTS
Title: American Ambassador
Date: August 16, 1978

For the Government
of the Arab Republic of Egypt:

[Signed]

By: MOHAMED IBRAHIM KAMEL
Title: Foreign Minister
Date: August 16, 1978

EXCHANGES OF NOTES

I a

EMBASSY OF THE UNITED STATES OF AMERICA
CAIRO, EGYPT

August 16, 1978

Excellency,

I have the honor to refer to the Economic, Technical and Related Assistance Agreement signed by our two Governments this date.

The Government of the United States of America acknowledges that, with respect to the privilege of importing automobiles duty-free contained in paragraph 5 (b) of the Agreement, the normal policy of the Government of the Arab Republic of Egypt is to permit the importation of only one new or used vehicle every three years. Said vehicle shall be exempted from customs after three years or at the time of employee's definitive transfer from Egypt on orders of the Government of the United States, whichever comes earlier.

The Parties to the Agreement agree that the Government of the United States of America will follow that policy in exercising its privileges under paragraph 5 (b) of the Agreement, with the understanding that, upon application by the U.S. Embassy submitted to the Ministry of Foreign Affairs, if an automobile imported pursuant to said paragraph is lost by theft or otherwise or is so damaged as to be unusable or repairable only at prohibitive cost, the employee owning said automobile may import another automobile as a replacement under the terms of paragraph 5 (b) of the Agreement. Any automobile so damaged may be turned over to the insurance company or sold without payment of custom duties.

¹ United Nations, *Treaty Series*, vol. 198, p. 265.

² *Ibid.*, vol. 236, p. 61.

³ *Ibid.*, vol. 237, p. 183.

I have the honor to propose that if these understandings are acceptable to your Excellency that you so advise me in a reply note concurring in the present note.

Accept, Excellency, renewed assurances of my highest consideration.

Sincerely,

[Signed]

HERMANN FREDERICK EILTS
American Ambassador

His Excellency Said Hamza
Director, Chief of Protocol
Ministry of Foreign Affairs
Cairo, Egypt

بالمعونة الفنية والاقتصادية والموقعة بتاريخ ١٦ أغسطس ١٩٧٨ هـ تتشرف
وزارة الخارجية الاغفا*ات الخاصة بسيارات موظفي الحكومة الامريكية العالمين
بجمهورية مصر العربية بموجب هذه الاتفاقية فيما يلى : -

- تسح وزارة الخارجية (بناء* على المادة الخامسة فقره ب من الاتفاقية
المشار اليها) باستيراد سيارة واحدة لكل منهم معناه من الرسوم
الجمركية كل ثلاث سنوات من تاريخ استلامهم عملهم على ان تعفى هذه
السيارة عند بيعها من الرسوم الجمركية بعد ثلاث سنوات من تاريخ
الاقراج عنها او في حالة النقل النهائى للموظف .

- في حالة نكسد السيارة بسبب السرقة او تهشمها واصبحت في حالة
لا تسح باصلاحها او استعمالها يسمح لصاحبها " الموظف الحكومى "
باستيراد سيارة اخرى بديله بنفس شروط المادة خامسه فقره ب على ان
تسلم السيارة المهشمة لشركة التأمين او يبيعها باغفا* من الرسم
الجمركيه .

وتتهد وزارة الخارجية هذه الفرصة لتعرب للسفارة عن فائق تقديرها .

- الى سفارة الولايات المتحدة الامريكه
القاهرة

II a

[ARABIC TEXT — TEXTE ARABE]

بشأن

تجريباً في _____ سنة ١٣٩ (٩/٩) _____ سنة ١٩٧٨

تهدي وزارة الخارجية - ادارة العراسم - اطيب تحياتها الى
سفارة الولايات المتحدة الامريكية بالقاهرة ، وايضا الى الاتفاقية الخاصة

وزارة الخارجية
ادارة العراسم

رقم التيد
رقم الملف
عدد المرفقات

[TRANSLATION¹ — TRADUCTION²]

MINISTRY OF FOREIGN AFFAIRS
OFFICE OF PROTOCOL

September 9, 1978

Ref. No. 12/9-11302/H

The Ministry of Foreign Affairs presents its compliments to the Embassy of the United States of America at Cairo and has the honor to refer to the exemption from customs duties on automobiles owned by United States Government officials working in the Arab Republic of Egypt, as stated in the Agreement on Economic, Technical, and Related Assistance signed on August 16, 1978.

In accordance with article 5 (b) of that Agreement, the Ministry of Foreign Affairs shall allow each official, upon the assumption of his duties, to import one automobile every three years exempt from payment of customs duties. Upon the sale of such automobiles, they shall be exempt from payment of customs duties provided that they are sold three years after they clear customs, or when the U.S. Government official is transferred permanently.

In the event of total loss of an automobile by theft or accident, the Government official shall be allowed to import a replacement automobile subject to the terms of the said article 5 (b), provided that any wreck is turned over to the insurance company or is sold as a wreck, exempt from customs duties.

The Foreign Ministry avails itself of this opportunity to renew to the Embassy the assurances of its highest consideration.

I b

Cairo, 7 December 1978

Excellency:

I have the honor to refer to the Economic, Technical and Related Assistance Agreement signed by our two Governments on August 16, 1978, and to the supplemental letter regarding the Bilateral which I sent you on the same date.

¹ Translation supplied by the Government of the United States of America.

² Traduction fournie par le Gouvernement des Etats-Unis d'Amérique.

The Government of the United States of America confirms that the second and third paragraphs of the supplemental letter dealing with the privilege of selling automobiles duty free and with duty-free importation of a vehicle to replace a vehicle stolen or damaged applies only to U.S. citizen employees of the Government of the United States of America (or any agency thereof).

The parties to the Agreement agree that United States citizen contractor personnel covered in paragraphs 5 (b) (ii) and (iii) of the Agreement shall be entitled to make purchases in the Government's duty free shops in the amount of one hundred United States dollars per employee every three months.

I have the honor to propose that if these understandings are acceptable to your Excellency that you so advise me in a reply note concurring in the present note.

Accept, Excellency, renewed assurances of my highest consideration.

Sincerely,

[Signed]

HERMANN FREDERICK EILTS
American Ambassador

His Excellency Said Hamza
Director, Chief of Protocol
Ministry of Foreign Affairs
Cairo

والحاقا بحديث السفير مدير المراسم يوم ٢٩/٢/٧٧ م —
سفير الولايات المتحدة الامريكية بشأن مزايا واغفاءات موظفي وكالة المعونة
الامريكية التابعين لحكومة الولايات المتحدة الامريكية الواردة في الاتفاقية
الموقعة ١٦ أغسطس ١٩٧٨ • تتشرف الوزارة بالاقادة بما يلي :

— يحق لموظفي وكالة المعونة التابعين لحكومة الولايات المتحدة استيراد
سيارة باغفاء جبركى بديلة للسيارة المهشمة تماما أو للسيارة المفقودة •
— يحق للمتقاعدين الممولين من الحكومة الامريكية (المادة ٥ فقرة أ من
الاتفاقية) شراء مواد استهلاكية بما يعادل مائة دولار كل ثلاثة أشهر
من الاسواق الحرة بجمهورية مصر العربية •

هذا وترجو الوزارة موافقتها كل ثلاثة أشهر بقائمة باسماء
المتقاعدين المشار اليهم اعلاه لابلاغها لصلحة الجمارك لتعديدها على
جمارك الاسواق الحرة وهو الاسلوب المعمول به بالنسبة لبعض خبراء المنظمات
الدولية •

وتتنهز الوزارة هذه الفرصة لتعرب للسفارة عن فائق تقديرها •

الى سفارة الولايات المتحدة الامريكية
القاهرة

II b

[ARABIC TEXT — TEXTE ARABE]

بشأن

محررات ١٣٩ — (٢/٨ — سنة ١٩٧٩)

وزارة الخارجية

ادارة المراسم

رقم الترخيص ٢٠٠٠٠

رقم الملف

عدد المرفقات

تهدي وزارة الخارجية — ادارة المراسم — اطيب تحياتها الى
سفارة الولايات المتحدة الامريكية بالقاهرة وايحاء الى كتاب السفارة بتاريخ[TRANSLATION¹ — TRADUCTION²]MINISTRY OF FOREIGN AFFAIRS
OFFICE OF PROTOCOL

February 8, 1979

Ref. No. 1830/H

The Ministry of Foreign Affairs presents its compliments to the Embassy of the United States of America at Cairo and has the honor to refer to the Embassy's letter of December 7, 1978, and to the conversation held February 7, 1979, between the Chief of Protocol and the United States Ambassador concerning the privileges and exemptions of USAID personnel as stated in the Agreement signed on August 16, 1978.

Under the provisions of that Agreement, USAID personnel may import, exempt from payment of customs duties, a replacement automobile in the event of total loss of an automobile by theft or accident.

Furthermore, contractors financed by the United States Government may, subject to article 5 (a) of that Agreement, purchase on the free markets of the Arab Republic of Egypt consumer goods in the amount of \$100 every three months.

Please furnish the Ministry a quarterly list of names of the above-mentioned contractors so that we may communicate them to the Customs Administration and to the various free markets in the country in accordance with regulations applicable to experts working for international organizations.

The Foreign Ministry avails itself of this opportunity to renew to the Embassy the assurances of its highest consideration.

¹ Translation supplied by the Government of the United States of America.

² Traduction fournie par le Gouvernement des Etats-Unis d'Amérique.