

No. 18281

**FEDERAL REPUBLIC OF GERMANY
and
EGYPT**

Protocol concerning the settlement of Egyptian payment obligations. Signed at Cairo on 8 February 1973

Authentic texts: German and English.

Registered by the Federal Republic of Germany on 12 February 1980.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
ÉGYPTE**

Protocole concernant les modalités de règlement de certaines dettes égyptiennes. Signé au Caire le 8 février 1973

Textes authentiques : allemand et anglais.

Enregistré par la République fédérale d'Allemagne le 12 février 1980.

PROTOCOL¹

During the period from 30 January 1973 to 8 February 1973 talks were held in Cairo between the Government of the Arab Republic of Egypt and the Government of the Federal Republic of Germany concerning the settlement of Egyptian payment obligations to creditors in the Federal Republic of Germany.

The delegation of the Government of the Arab Republic of Egypt was headed by Dr. Sherif Lotfy, First Under-Secretary of State, Ministry of Economy & Foreign Trade.

The delegation of the Government of the Federal Republic of Germany was headed by Herr Günther van Well, Ministerialdirektor im Auswärtigen Amt.

The talks which took place in friendly atmosphere led to the following Arrangement with a view to fostering and promoting the economic relations between the two countries.

Article 1. (1) The Government of the Arab Republic of Egypt and the Government of the Federal Republic of Germany have agreed that the claims outstanding and the claims due up to 31 December 1973 under:

- (a) Commercial transactions concluded before 1 January 1971 and guaranteed by the Federal Republic of Germany, for which a credit period of more than 180 days was stipulated (including the claims under the two Agreements of 23 November 1967 and 9 May 1970 between the Central Bank of Egypt and German firms),
 - (b) The loan granted to the National Bank of Egypt, Cairo, by the Deutsche Girozentrale, as per Agreement dated 17 September 1962,
 - (c) Financial assistance loans granted by the Kreditanstalt für Wiederaufbau, Frankfurt/Main, before 1 January 1973,
- shall be rearranged as set out in articles 2 and 3 below.

(2) The total sum of the payments due up to 31 December 1973, including the contractual interest (which shall also comprise the consolidation interest pursuant to the Agreements of 23 November 1967 and 9 May 1970) as well as the default and consolidation interest accumulated up to 31 March 1973 shall amount to a maximum of DM 469 million (four hundred sixty-nine million Deutsche Mark).

It shall comprise:

- (a) Claims arising out of commercial transactions: DM 280.1 (two hundred eighty million one hundred thousand Deutsche Mark),
- (b) Claims arising out of the loan from the Deutsche Girozentrale: DM 69.1 (sixty-nine million one hundred thousand Deutsche Mark),
- (c) Claims arising out of financial assistance loans: DM 119.8 (one hundred nineteen million eight hundred thousand Deutsche Mark).

Article 2. (1) The Government of the Arab Republic of Egypt undertakes to pay DM 3,222,500 (three million two hundred twenty-two thousand five hundred Deutsche Mark) as from April 1973 on the twentieth day of each month until such

¹ Came into force on 16 April 1973, after signature and upon the entry into force of the agreements referred to in article 5 (1) and (2), in accordance with article 7.

time as the amount specified in article 1 (2) above plus consolidation interest has been amortized.

(2) The said monthly payments shall be used first to cover the consolidation interest payable as from 1 April 1973. The balance shall be set off against amortization.

[(3) The amortization payments shall be credited against the claims in the following order:]¹

- (a) Claims arising out of commercial transactions,
- (b) Claims arising out of the loan from the Deutsche Girozentrale,
- (c) Claims arising out of financial assistance loans.

Article 3. (1) The default interest accruing up to 31 March 1973 in respect of the claims arising out of commercial transactions and in respect of the claims arising out of the loan of the Deutsche Girozentrale shall be calculated at a uniform rate of 7.75% (seven point seventy-five per cent) per annum.

(2) The rate of consolidation interest in respect of included claims arising out of commercial transactions and of the loan of the Deutsche Girozentrale shall be 6% (six per cent) per annum as from 1 April 1973.

(3) The rate of consolidation interest in respect of the included claims arising out of the financial assistance loans shall be 3% (three per cent) per annum. The consolidation interest shall be calculated as from the original dates of maturity.

Article 4. (1) The Government of the Arab Republic of Egypt undertakes to settle without delay the claims not covered by article 1 above.

(2) The following claims shall be met without delay to the extent that arrears exist, or on their due dates:

- (a) Claims arising out of commercial transactions with credit periods of not more than 180 days,
- (b) Claims arising out of commercial transactions concluded after 31 December 1970,
- (c) All claims falling due as from 1 January 1974, arising out of commercial transactions or financial assistance loans under contracts concluded before 1 January 1973 with the Kreditanstalt für Wiederaufbau,
- (d) Any commitment charge payable to the Kreditanstalt für Wiederaufbau,
- (e) Claims included in the Agreement on the Deferment of Transfers referred to in article 5 (1) below in respect of which the Central Bank of Egypt fails to meet the obligations stipulated in the Agreement, or in so far as the deposit with the Central Bank of Egypt is made after 31 December 1973.

Article 5. (1) The rearrangement of the debts referred to in article 1 above arising out of commercial transactions and of the loan from the Deutsche Girozentrale will be specified in an Agreement on the Deferment of Transfers to be concluded between the Government of the Arab Republic of Egypt and the Government of the Federal Republic of Germany.

(2) To settle the debts specified in article 1 above, which arise out of financial assistance loans, the Government of the Federal Republic of Germany shall enable the Government of the Arab Republic of Egypt to amend the loan agreements concluded with the Kreditanstalt für Wiederaufbau accordingly. The details shall be

¹ The text between brackets appears only in the German authentic text.

stipulated in a Supplementary Agreement to be concluded with the Kreditanstalt für Wiederaufbau.

(3) The Central Bank of Egypt will guarantee that all obligations arising out of the Supplementary Agreement with the Kreditanstalt für Wiederaufbau will be met in due time.

Article 6. (1) The Government of the Federal Republic of Germany undertakes to grant as from 20 April 1973 new export guarantees in the amount of DM 62 million (sixty-two million Deutsche Mark) on the basis of previous Egyptian amortization payments on commercial claims covered by a Federal guarantee. These export guarantees shall be utilized over a period of approximately one year.

(2) The Government of the Federal Republic of Germany undertakes furthermore to grant new export guarantees in the amount of amortization payments under commercial claims covered by Federal guarantees both for those outstanding and those due up to 31 December 1973.

(3) The Government of the Federal Republic of Germany undertakes furthermore to grant new export guarantees in the amount of such amortization payments on current commercial claims covered by Federal guarantees as will be made within the period from 1 January 1974 to 31 December 1974.

(4) As regards the establishment of new guarantees pursuant to paragraphs 2 and 3 above, payments on interest liabilities shall not be considered.

Article 7. The provisions of articles 1 to 6 above shall take effect as soon as this Protocol has been signed and the Agreements referred to in article 5 (1) and (2) above have entered into force.

Article 8. This Protocol 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 Arab Republic of Egypt within three months of the entry into force of this Protocol.

DONE in Cairo on 8 February 1973 in two originals, one each in the English and German languages, both texts being equally authentic.

For the Government
of the Arab Republic of Egypt:

[Signed — Signé]¹

For the Government
of the Federal Republic of Germany:

[Signed — Signé]²

[Signed — Signé]³

¹ Signed by Dr. Sherif Lotfy — Signé par Sherif Lotfy.

² Signed by Günther van Well — Signé par Günther van Well.

³ Signed by H. G. Steltzer — Signé par H. G. Steltzer.