

No. 20258

**FEDERAL REPUBLIC OF GERMANY
and
PAKISTAN**

**Agreement concerning financial co-operation (with annex).
Signed at Islamabad on 26 July 1979**

Authentic texts: German and English.

Registered by the Federal Republic of Germany on 31 July 1981.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
PAKISTAN**

**Accord de coopération financière (avec annexe). Signé à
Islamabad le 26 juillet 1979**

Textes authentiques : allemand et anglais.

Enregistré par la République fédérale d'Allemagne le 31 juillet 1981.

AGREEMENT¹ BETWEEN THE PRESIDENT OF THE ISLAMIC
REPUBLIC OF PAKISTAN AND THE GOVERNMENT OF THE
FEDERAL REPUBLIC OF GERMANY CONCERNING FINAN-
CIAL CO-OPERATION

The President of the Islamic Republic of Pakistan and the Government of the Federal Republic of Germany,

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

Desiring to strengthen and intensify those friendly relations through financial co-operation in a spirit of partnership,

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

In supplementation of the assistance previously granted to the President of the Islamic Republic of Pakistan by the Government of the Federal Republic of Germany,

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

Have agreed as follows:

Article 1. 1) The Government of the Federal Republic of Germany shall enable the President of the Islamic Republic of Pakistan to raise with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, a loan up to DM 30,000,000 (thirty million deutsche mark) to meet foreign exchange costs resulting from the purchase of goods and services to cover current civilian requirements, and to meet foreign exchange and local currency costs of transport, insurance and assembly arising in connection with the importation of goods financed under this Agreement. These supplies and services must be such as are covered by the list annexed to the present Agreement and for which import and foreign exchange licences have been issued after 31 December 1978.

2) When utilizing the amount referred to above, sympathetic consideration shall be given to the requirements of enterprises established in Pakistan with German financial participation. The Government of the Federal Republic of Germany proceeds on the understanding that the President of the Islamic Republic of Pakistan will use the Rupee counterpart funds accruing from the sale of the loaned deutsche mark for development projects.

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

Article 3. The President of the Islamic Republic of Pakistan shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Islamic Republic of Pakistan in connection with the conclusion and implementation of the agreements to be concluded pursuant to Article 2 of the present Agreement.

¹ Came into force on 26 July 1979 by signature, in accordance with article 7.

Article 4. The President of the Islamic Republic of Pakistan shall allow passengers and suppliers free choice of transport enterprises for such transportation by sea, land 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 this Agreement, and grant any necessary permits for the participation of such enterprises.

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 President of the Islamic Republic of Pakistan within three months of the date of entry into force of this Agreement.

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

DONE at Islamabad on 26 July 1979 in duplicate in the English and German languages, both texts being equally authentic.

[Signed — Signé]¹

For the Government
of the Federal Republic of Germany

[Signed — Signé]²

For the President
of the Islamic Republic of Pakistan

ANNEX TO THE AGREEMENT OF 26 JULY 1979 BETWEEN THE PRESIDENT OF THE ISLAMIC REPUBLIC OF PAKISTAN AND THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY CONCERNING FINANCIAL CO-OPERATION

1. List of goods and services eligible for financing from the loan under Article 1 of the intergovernmental Agreement of 26 July 1979:

- (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, in particular fertilizers, plant protection agents and pesticides, medicaments,
- (e) Other industrial products of importance for the development of Pakistan,
- (f) Advisory services, patents and licence fees.

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

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

¹ Signed by H. Schatzschneider — Signé par H. Schatzschneider.

² Signed by Aftab Ahmad Khan — Signé par Aftab Ahmad Khan.