

No. 20435

**SPAIN
and
BULGARIA**

Long-term Agreement on trade, navigation, transport and economic, industrial and technical co-operation. Signed at Sofia on 2 June 1971

Termination of the above-mentioned Agreement

Authentic text: French.

The Agreement and the certified statement were registered by Spain on 27 October 1981.

**ESPAGNE
et
BULGARIE**

Accord à long terme sur le commerce, la navigation, le transport et la coopération économique, industrielle et technique. Signé à Sofia le 2 juin 1971

Abrogation de l'Accord susmentionné

Texte authentique : français.

L'Accord et la déclaration certifiée ont été enregistrés par l'Espagne le 27 octobre 1981.

[TRANSLATION — TRADUCTION]

LONG-TERM AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE SPANISH STATE AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BULGARIA ON TRADE, NAVIGATION, TRANSPORT AND ECONOMIC, INDUSTRIAL AND TECHNICAL CO-OPERATION

The Government of the Spanish State, on one part, and the Government of the People's Republic of Bulgaria, on the other part, desiring to develop and facilitate to the maximum their mutual economic relations, in particular trade, navigation, transport and economic, industrial and technical co-operation between the two countries on the basis of the principle of equal rights and mutual benefit, have agreed as follows:

Article I. Considering the mutual development of trade between Spain and the People's Republic of Bulgaria, and to accomplish the objectives of this Agreement, the two Contracting Parties declare their determination to strive—in a spirit of equality and reciprocity—to ensure the harmonious development of their mutual economic relations, in particular trade, navigation, transport and economic, industrial and technical co-operation, in order to permit the fullest possible advantage to be taken of the opportunities afforded by progress in their respective economies.

To attain these objectives, the two Contracting Parties will facilitate to the maximum the implementation of this Agreement and shall, within their respective legislative frameworks, take all necessary measures to that end.

Article II. 1. Each Contracting Party shall accord most-favoured-nation treatment to all products originating in or destined for the territory of the other Contracting Party in all matters related to customs duties, taxes, levies and the associated formalities required for or related to import and export, both as regards the methods used to levy such duties and as regards the regulations, formalities and charges related to the clearance of goods through customs.

2. The first paragraph of this article shall apply even if the said products and goods have passed through or been trans-shipped or warehoused in the territory of third countries. Such products and goods shall not be subject to higher customs duties, taxes and charges than would have applied in the case of direct import.

Article III. Article II shall not apply:

- (1) To such advantages as are or may be granted by either Contracting Party to other States, with a view to the formation with those States of a customs union or free trade area;
- (2) To such advantages as are or may be granted by either Contracting Party in order to facilitate frontier traffic with adjoining States.

Article IV. Subject to the domestic laws and regulations in force, each Contracting Party shall accord most-favoured-nation status in order to exempt the following products of the other Contracting Party from customs duties and all other levies upon temporary import or export from its territory:

- (a) Samples intended for advertising purposes;

¹ Came into force provisionally from 1 January 1971, in accordance with the provisions of article XXI.

- (b) Articles intended for experiment, testing and tasting;
- (c) Articles intended for exhibitions, fairs and competitions;
- (d) Instruments and tools used by employees for mounting and setting up;
- (e) Articles for working or repairing and material needed in the working or repair process;
- (f) Marked containers, packaging and packing material intended solely for the import and export of goods and returned to the country (of origin);
- (g) Goods to be fabricated to order; and
- (h) Other goods and articles mutually agreed between the Contracting Parties.

Article V. 1. Commercial exchanges between the Contracting Parties shall be conducted on the basis of contracts concluded between the competent physical persons and bodies corporate of the two Contracting Parties with authority to engage in foreign trade activities.

2. Foreign trade enterprises shall be autonomous and independent bodies corporate.

3. In the exercise of the economic activities covered by this Agreement, physical persons and bodies corporate of either Contracting Party shall, in the territory of the other Party, be granted most-favoured-nation treatment in respect of access to the courts and civil authorities at all levels of jurisdiction for the purpose both of making applications and of defending their rights.

4. Physical persons and bodies corporate of either Contracting Party devoted to economic activities may engage in such activities in the territory of the other Contracting Party, where they shall also be permitted to appoint agents upon due completion of the formalities and in accordance with the laws and regulations applicable in the territory to which they wish to extend their economic activities.

5. Both Contracting Parties shall, subject to their domestic laws and regulations, facilitate the travel, sojourn and establishment of missions (joint or individual) of commercial or industrial representatives of the two countries and shall promote the distribution of commercial information among physical persons and bodies corporate of the two Parties which are authorized to engage in external trade activities.

Article VI. The Contracting Parties shall strive to ensure that prices for the products supplied under contracts concluded subject to this Agreement are based on world prices, i.e., the prices obtaining on the principal markets for the products concerned.

Article VII. 1. In the case of goods on which controls have not yet been liberalized, commercial exchanges between the two Parties shall be conducted in accordance with the annual protocols and the annexed lists of merchandise: list "E" for Spanish exports and list "B" for Bulgarian exports. Those lists may be amended and extended annually on the basis of the work of the mixed commission provided for under article XX of this Agreement.

2. The competent authorities of the two countries shall issue the requisite import and export licences in the shortest possible time, bearing in mind that lists "E" and "B" are not exclusive in nature, that the figures they contain may be exceeded, and that the authorities may issue licences for any other goods not included in the lists if such inclusion is in the interests of the Contracting Parties.

3. The Spanish Party shall apply the same liberalization of controls and the same treatment in that regard to imported goods originating in and arriving from Bulgaria as it does to other countries, in particular the OECD countries. Import licences for such goods shall be issued automatically.

4. The Bulgarian Party shall apply the same treatment to imported goods originating in and arriving from Spain as it does to similar goods imported from other countries enjoying most-favoured-nation status.

Article VIII. 1. The two Contracting Parties shall each recognize health, veterinary and phytopathological certificates and qualitative analyses issued by the competent institutions of the other country to indicate that procedure originating in the country issuing said certificates or analyses satisfies the domestic legal requirements of the country of origin.

2. Each Contracting Party shall retain the right, production of the above-mentioned documents notwithstanding, to conduct all necessary checks on goods if it deems it worthwhile to do so.

Article IX. 1. The two Contracting Parties agree that payments arising under the present Agreement shall be settled in accordance with the agreement on payment signed this day.

2. The two Contracting Parties are agreed that after 1 January 1973 payments arising under the present Agreement and all contracts theretofore concluded shall be settled in freely convertible currency.

Article X. 1. The two Contracting Parties reaffirm that their mutual relations in the realm of commercial maritime and river transport will be based on the principle of freedom of navigation and on commercial principles.

2. Ships of either Contracting Party may enter the ports and waters under the sovereignty or jurisdiction of the other Contracting Party subject to the laws in force therein, which shall be applied uniformly and without discrimination.

3. Ships of either Contracting Party and the crew, passengers and goods they carry shall in the ports of the other Contracting Party be treated without discrimination in matters including commercial operations and the loading and unloading of inbound and outbound passengers and goods.

4. The two Contracting Parties agree that the commercial arrangements for the application of the principles set forth in this article shall be the subject of direct negotiations between the officially recognized organization of Spanish shipowners and the duly authorized Bulgarian organizations. The outcome of said negotiations shall be submitted for approval to the competent authorities of each Party in accordance with the regulations in force in each country.

Article XI. 1. Documents relating to the identity of a vessel, its seaworthiness and safety issued or recognized by the competent authorities of one Contracting Party shall be recognized by the other Contracting Party.

2. Tonnage and measurement certificates issued by the competent authorities of one Contracting Party in accordance with the current international conventions binding on both Spain and Bulgaria shall be respected by the other Contracting Party.

Article XII. The two Contracting Parties undertake to use all the means at their disposal to simplify and expedite the formalities associated with the settlement of costs and freightage charges owed in their ports by ships of the other Contracting Party.

Article XIII. The two Contracting Parties shall, in conformity with the international agreements to which they are party, reciprocally extend the necessary facilities for the establishment of aerial communication between the two countries and for transit by air; such facilities shall be the subject of a later bilateral agreement.

Article XIV. The two Contracting Parties, wishing to encourage the development of road transport between and through the territory of the two countries, agree as follows:

1. The occasional transport of travellers shall not be subject to any prior authorization, provided that the same vehicle transports the same persons throughout either a journey which begins and is intended to finish in the territory of the country where the

vehicle is registered or a journey beginning in the territory of the registering country on condition that the vehicle returns empty. Occasional transport of any other kind may take place subject to a permit to be issued by the competent authorities of the other country.

2. As travel between the two countries develops, and when its growth makes this advisable, the competent authorities of the two countries shall grant facilities for the opening of regular routes for travel between and transit through the two countries.

3. Goods from either country bound for the other country or in transit through its territory shall be transported by virtue of permits granted by the competent authorities under arrangements to be established by common accord.

4. Vehicles registered in one country shall not be authorized to engage in the internal transport of either passengers or goods in the territory of the other country.

Article XV. 1. The two Contracting Parties, recognizing the importance of economic and technical co-operation for the development of their trade, shall promote by all possible means the expansion of co-operation between Spanish and Bulgarian businesses, economic organizations and institutions in the realm of industry, including mechanical engineering, agriculture, commerce, transport, tourism and fisheries in the two countries and in other markets.

2. They agree to grant each other, for the purposes of co-operative ventures agreed by common accord, the most favourable treatment available under their respective regulations in such matters as import régimes, customs tariffs and financing arrangements.

3. The two Contracting Parties shall facilitate exchanges of licences, patents and technological information between the institutions and businesses of the two countries and shall, under their respective regulations and subject to prior agreement between the said institutions and businesses, authorize transmission of all new material added to the technical documentation of any basic licence on which transactions may have taken place between the vendor and purchaser of the licence.

Article XVI. 1. In particular, the two Contracting Parties shall encourage the development of co-operation between industries of the two countries in their own and in other markets, whether in the field of local production or for the joint establishment of industrial units.

2. Co-operation may extend, in particular, to the following sectors:

- Scientific research, technical education, vocational training and all matters related to the production and processing of farm produce, livestock and forestry materials;
- Manufacture under licence, where the licencing contract is accompanied by a special agreement on payment and sale;
- Supply of items to the purchaser's specifications and designs, provided that the contract for each supply is accompanied by a special agreement on payment and sale;
- Co-operation in the sharing of manufacturing and products;
- Joint supply of goods and facilities or joint provision of services and technology;
- Co-operation in technical development and the pooling of experience with production, the organization of labour and improvement of industrial processes;
- Exchanges of parts, mechanical sub-assemblies and installations and supply of assemblies or spare parts, for the construction of certain industrial units;
- Cinematographic co-productions and co-operation in tourism, which may be made the subject of specific agreements.

To this end, both Contracting Parties shall encourage the conclusion of contracts between the two countries' economic and industrial organizations, institutes, companies and enterprises.

Article XVII. 1. Industrial co-operation contracts granting import licences, in accordance with the regulations in force, for certain products or materials must be visaed by the competent authorities of the importing country. Such visas shall be issued in the shortest possible time and shall constitute acknowledgement that the products or materials are for industrial co-operation. The issue of such a visa shall give rise to automatic issuance of import licences without quantitative restrictions, in accordance with the specifications of the contracts concerned.

2. The mixed commission established by article XX of this Agreement shall be kept informed of the development of industrial co-operative ventures. The mixed commission, at its yearly meetings, shall determine which industrial sectors should be given priority in the promotion of industrial co-operation during each year.

Article XVIII. The two Contracting Parties shall also promote co-operation for peaceful purposes in the realms of scientific research and technological development.

Co-operation in each sector shall be the subject of agreements or protocols between the competent authorities of the two countries with the aim of encouraging relations between institutions devoted to science and technology. Co-operative arrangements may include the following:

- (a) Exchanges of information and documentation in the field of scientific research and technological development;
- (b) Exchanges of experts and scientific and technical personnel;
- (c) The development of joint programmes in these areas.

Article XIX. Bearing in mind the increasing share and importance of exchanges of capital goods and related services in trade between the two countries, the two Contracting Parties undertake to make every effort to accord each other the best credit terms in order to promote growth in the commerce provided for in this Agreement.

Article XX. 1. The two Contracting Parties shall establish a mixed commission whose task it shall be to oversee and monitor the proper implementation of this Agreement and deal with all matters affecting the economic relations between the two countries.

2. The mixed commission shall comprise a delegation appointed by the Government of the Spanish State and a delegation appointed by the Government of the People's Republic of Bulgaria, which may work together in plenary sessions, in sub-committees and in working groups.

3. A specific task of the mixed commission shall be to draw up annual protocols to govern commercial exchanges between the Contracting Parties. The mixed commission, in drawing up said annual protocols, shall in all cases seek the growth of mutual economic relations between the two countries.

4. The mixed commission's assignments shall include ensuring the smooth execution of this Agreement, studying all problems affecting economic relations between the two countries and submitting to their respective Governments proposals for facilitating and increasing commercial exchanges and economic and industrial co-operation, and for developing navigation and transport. The commission shall also draw up the annual protocols and the annexed lists of goods.

5. Plenary meetings shall normally be held once every year, in Spain and Bulgaria alternately, on a date agreed by common accord. The main item of business at the regular sessions shall be the consideration of achievements within the framework of this Agreement during the preceding year and the formulation of an annual programme for the following year, highlighting the trends in and modes of development of economic relations between the two countries. Special sessions of the mixed commission shall be convened

at the request of the President of either Contracting Party and shall be held no later than 30 days after the request is made, on the basis of an agenda established by common accord.

6. The results of the activities of the mixed commission, its sub-committees and working groups shall be reflected in minutes presented in duplicate.

Article XXI. The provisions of this Agreement shall apply as of 1 January 1971 and shall remain in force until 31 December 1975. After the latter date this Agreement shall be extended by tacit accord from year to year unless denounced in writing with three months' notice before the date of expiry. Expiry of this Agreement shall not influence the validity or execution of contracts concluded within the framework of this Agreement.

Article XXII. This Agreement shall be submitted for approval by the Contracting Parties in accordance with the provisions in force in each of the two countries, which shall give reciprocal notification thereof by exchange of notes. The date of receipt of the second note shall be regarded as the date of definitive entry into force of this Agreement.

DONE at Sofia on 2 June 1971, in two original copies in the French language.

For the Government
of the Spanish State:
[Signed]

GABRIEL FERNÁNDEZ DE VALDERRAMA

For the Government
of the People's Republic of Bulgaria:
[Signed]

DOBRI ALEXIEV

TERMINATION of the Long-term Agreement of 2 June 1971 between the Government of the Spanish State and the Government of the People's Republic of Bulgaria on trade, navigation, transport and economic, industrial and technical co-operation¹

The above-mentioned Agreement ceased to have effect on 11 January 1980, the date of entry into force of the Long-term Trade Agreement² and the Long-term Agreement concerning economic, industrial and technical co-operation³ between Spain and Bulgaria signed at Madrid on 24 January 1979, in accordance with articles XIV and XI respectively of the latter Agreements.

¹ See p. 15 of this volume.

² See p. 23 of this volume.

³ See p. 37 of this volume.