

No. 21039

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**FEDERAL REPUBLIC OF GERMANY**  
**and**  
**INDONESIA**

**Agreement concerning co-operation on the general survey  
and exploration of uranium minerals in West Sumatra  
(with exchange of letters). Signed at Jakarta on 14 June  
1976**

*Authentic texts: German, English and Indonesian.*

*Registered by the Federal Republic of Germany on 21 April 1982.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE**  
**et**  
**INDONÉSIE**

**Accord de coopération en vue de l'inventaire général et de la  
prospection des minerais d'uranium dans la partie  
occidentale de Sumatra (avec échange de lettres). Signé  
à Jakarta le 14 juin 1976**

*Textes authentiques : allemand, anglais et indonésien.*

*Enregistré par la République fédérale d'Allemagne le 21 avril 1982.*

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA CONCERNING CO-OPERATION ON THE GENERAL SURVEY AND EXPLORATION OF URANIUM MINERALS IN WEST SUMATRA

The Government of the Federal Republic of Germany and the Government of the Republic of Indonesia,

Whereas the Government of the Republic of Indonesia desires to encourage exploration in its territory of radioactive substances and uranium minerals in particular,

Whereas the Government of the Federal Republic of Germany possesses the means, technical knowledge and experience required for the efficient exploration of the said substances,

Whereas pursuant to the Agreement on co-operation regarding the peaceful uses of atomic energy, dated 14-6-76,<sup>2</sup> special arrangements may be concluded in the fields of general survey and exploration of uranium minerals which shall be in accordance with the laws and regulations prevailing in Indonesia,

Whereas the Government of the Republic of Indonesia desires to co-operate with the Government of the Federal Republic of Germany in the general survey and exploration of uranium minerals in West Sumatra,

Have agreed as follows:

*Article 1.* (1) The Government of the Federal Republic of Germany and the Government of the Republic of Indonesia shall undertake a general survey and exploration of uranium minerals in West Sumatra covering an area comprising approximately 25,000 square kilometres as described in the map attached\* hereto and having the following co-ordinates:

- A: 99° 40' E/1° 05' N
- B: 100° 30' E/1° 05' N
- C: 100° 37' E/0° 50' N
- D: 100° 50' E/0° 50' N
- E: 101° 15' E/0° 10' S
- F: 101° 02' E/0° 10' S
- G: 101° 30' E/1° 20' S
- H: 100° 40' E/1° 20' S

(2) For purposes of the execution of this Agreement the Government of the Republic of Indonesia appoints its Agency, the Badan Tenaga Atom Nasional (hereinafter referred to as "BATAN"), as holder of the mining authorization for general survey and exploration, and the Government of the Federal Republic of Germany appoints its Agency, the Bundesanstalt für Geowissenschaften und Rohstoffe (hereinafter referred to as "BGR") as counterpart of BATAN.

\* Not published herein.

<sup>1</sup> Came into force on 24 February 1977, the date on which the Parties notified each other in writing of the completion of the constitutional requirements, in accordance with article 11.

<sup>2</sup> See p. 261 of this volume.

(3) Details of the co-operation between BGR and BATAN shall be fixed in an additional implementation arrangement.

*Article 2.* (1) With due regard to paragraph 2 of this article, BGR and BATAN shall, by written notice to the Government of the Republic of Indonesia, reduce the Agreement area through relinquishments:

- (a) To not more than 75 percent of the Agreement area prior to the second anniversary of the date of entry into force of this Agreement;
- (b) To not more than 50 percent of the Agreement area prior to the fourth anniversary of the date of entry into force of this Agreement;
- (c) To not more than 25 percent of the Agreement area prior to the fifth anniversary of the date of entry into force of this Agreement.

(2) Should BGR and BATAN find that an area or areas containing a uranium deposit or deposits is or are larger than the area supposed to be retained according to the above conditions for relinquishments, upon request from BATAN the Government of the Republic of Indonesia may grant an exception to the obligation to make relinquishments as referred to in paragraph 1 of this article.

*Article 3.* BGR and BATAN shall jointly submit a quarterly progress report to their Governments on the result of the implementation of this Agreement and shall, in particular, report on the geological characteristics discovered and the minerals found present, supplying data and maps.

It is hereby understood that title to all such information obtained from the general survey and exploration shall remain with BATAN and that such information shall be treated as confidential.

BGR may transfer to third parties not involved in the general survey and exploration such information and data with written approval of BATAN. Processing of data shall, to the greatest extent possible, be carried out in Indonesia.

*Article 4.* (1) BATAN and BGR shall establish an Operating Committee to draw up, discuss, review and approve the work programmes and estimates envisaged under this Agreement and to supervise the implementation thereof.

(2) Meetings of representatives of both Governments will be held whenever necessary to discuss the implementation of this Agreement.

(3) The costs of the general survey and exploration under this Agreement in accordance with the approved work programmes shall be borne by BGR to an extent of 90 percent.

*Article 5.* (1) As early as technically possible and not later than six years after the date of entry into force of this Agreement, a report shall be submitted to the two Governments on whether or not the development of a deposit or deposits of uranium minerals in the Agreement areas is a commercial proposition.

(2) If such uranium venture is economically feasible, BATAN shall initiate the exploitation of such deposit or deposits and the marketing of the products, taking into consideration the following mutual understanding:

- (a) BGR or an industrial firm designated by the Government of the Federal Republic of Germany shall have first priority to participate in the exploitation of such deposits and in the marketing of the products. Accordingly, BATAN

shall initially negotiate only with BGR or an industrial firm designated by the Government of the Federal Republic of Germany on the terms and conditions of such participation.

- (b) Should BATAN and BGR or the industrial firm designated by the Government of the Federal Republic of Germany fail in negotiations conducted in good faith to agree on such terms and conditions, BATAN will invite definite offers from bona fide third parties for such participation.

In this case BGR or the industrial firm designated by the Government of the Federal Republic of Germany shall have the right during a period of 90 (ninety) days as from the date of notice given by BATAN to match any such third party's offer.

BATAN shall not conclude with any third party a uranium agreement the terms and conditions of which are not commercially more favourable for BATAN than the offer submitted by BGR or an industrial firm designated by the Government of the Federal Republic of Germany.

- (c) If BATAN and BGR or the industrial firm designated by the Government of the Federal Republic of Germany reach agreement in the course of their initial negotiations, or if BGR or the industrial firm designated by the Government of the Federal Republic of Germany matches the third party's offer, a uranium agreement between BATAN and BGR or the industrial firm designated by the Government of the Federal Republic of Germany shall be concluded on the basis of the terms and conditions agreed under paragraph 2 (a) and (b) above, which shall be in accordance with the prevailing Indonesian constitutional requirements.
- (d) If BGR or the industrial firm designated by the Government of the Federal Republic of Germany does not match the third party's offer and BATAN would conclude a uranium agreement with this party, BATAN will arrange for this party to provide to BGR an adequate compensation which takes into consideration the efforts and contributions made and the prospection and exploration risks borne by BGR.
- (e) The Government of the Republic of Indonesia shall ensure that, after the Indonesian uranium requirements have been fulfilled, an adequate share of the uranium produced can be purchased by buyers in the Federal Republic of Germany and can be freely exported, due consideration being given to BGR's efforts and contributions toward the discovery of the deposit or deposits and the share of investment of the industrial firm designated by the Government of the Federal Republic of Germany.

*Article 6.* Prior to the designation of the experts sent to conduct the general survey and exploration, BGR shall consult BATAN as to both persons and numbers, it being hereby understood that labour at all levels will be drawn from Indonesian manpower to the greatest extent possible subject to the prevailing laws and regulations in Indonesia.

*Article 7.* BGR undertakes to facilitate as it is best capable the training of the Indonesian manpower engaged in the work under this Agreement, whether locally in Indonesia or in the Federal Republic of Germany.

*Article 8.* (1) The Government of the Republic of Indonesia shall facilitate the operations conducted under this Agreement by BGR and BATAN,

including especially the procurement of operational necessities, the provision of logistical support, the importation of the equipment necessary for the work, it being understood that BGR and BATAN will use equipment and materials produced or manufactured in Indonesia to the greatest extent possible.

(2) BATAN shall assist BGR in obtaining any licences or permits necessary for the implementation of this Agreement.

*Article 9.* (1) Disputes concerning the interpretation or application of the present Agreement shall, if possible, be settled by the two Governments.

(2) If a dispute cannot thus be settled, either Government may request that it be submitted to an arbitral tribunal.

(3) Such arbitral tribunal shall be constituted for each individual case as follows: each Government shall appoint one member, and these two members shall agree upon a national of a third State as their chairman to be appointed by the two Governments. Such members shall be appointed within two months, and such chairman within three months, from the date on which either Government has informed the other that it wants to submit the dispute to an arbitral tribunal.

(4) If the periods specified in sub-paragraph 3 above have not been observed, either Government may, in the absence of any other relevant arrangement, invite the President of the International Court of Justice to make the necessary appointments. If the President is a German or Indonesian national or if he is otherwise prevented from discharging the said function, the Vice-president should make the necessary appointments. If the Vice-president also is a German or Indonesian national or if he, too, is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is neither a German nor an Indonesian national should make the necessary appointments.

(5) The arbitral tribunal shall reach its decisions by a majority of votes in accordance with the existing arrangements between the Contracting States and the general rules of international law. Such decisions shall be binding. Each Government shall bear the cost of the member appointed by it and of its representatives in the arbitral proceedings; the cost of the chairman and the remaining costs shall be borne in equal parts by both Governments.

*Article 10.* The present 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 Indonesia within three months of the date of entry into force of this Agreement.

*Article 11.* This Agreement shall enter into force on the date on which either Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of this Agreement, and shall remain in force for a period of seven years, unless extended by agreement of both Governments.

GESCHEHEN zu Jakarta am 14. Juni 1976 in zwei Urschriften, jede in deutscher, indonesischer und englischer Sprache, wobei jeder Wortlaut verbindlich ist. Bei unterschiedlicher Auslegung des deutschen und des indonesischen Wortlauts ist der englische Wortlaut maßgebend.

DONE at Jakarta on June 14, 1976, in duplicate in the German, Indonesian and English languages, all three texts being authentic. In case of divergent interpretations of the German and Indonesian texts, the English text shall prevail.

Für die Regierung der Bundesrepublik Deutschland:  
For the Government of the Federal Republik of Germany:

Dr. MÜLLER

Für die Regierung der Republik Indonesien:  
For the Government of the Republic of Indonesia:

MALIK

heutigen Tage unterzeichneten Abkommens über Zusammenarbeit bei der Prospektion und Exploration von Uranerzen in Westsumatra ist.

Genehmigen Sie, Exzellenz, die Versicherung meiner ausgezeichnetsten Hochachtung.

Dr. MÜLLER

Seiner Exzellenz dem Minister für Auswärtige Angelegenheiten  
Herrn H. Adam Malik  
Jakarta

[TRANSLATION — TRADUCTION]

AMBASSADOR OF THE FEDERAL REPUBLIC OF GERMANY  
DR. KURT MÜLLER

Jakarta, 14 June 1976

Excellency,

[*See letter II*]

Dr. MÜLLER

His Excellency H. Adam Malik  
Minister for Foreign Affairs  
of the Republic of Indonesia  
Jakarta

## II

[INDONESIAN TEXT —  
TEXTE INDONÉSIEEN]

MINISTER FOR FOREIGN AFFAIRS  
OF THE REPUBLIC OF INDONESIA

MENTERI LUAR NEGERI  
REPUBLIK INDONESIA

Jakarta, June 14, 1976

Jakarta, 14 Juni 1976

Excellency,

I have the honour to acknowledge receipt of your letter of today's date, which reads as follows:

“I have the honour to refer to the Agreements signed today on co-operation regarding the peaceful uses

Yang Mulia,

Saya mendapat kehormatan untuk memberitahukan, bahwa saya telah menerima Surat Yang Mulia tertanggal hari ini, yang berbunyi sebagai berikut :

“Saya mendapat kehormatan untuk menunjuk kepada Persetujuan-persetujuan yang ditanda-tangani

of atomic energy and concerning co-operation on the general survey and exploration of uranium minerals in West Sumatra, and to propose that the Contracting Parties agree on the following points:

“1. For purposes pursuant to article 5 of the Agreement concerning co-operation on the general survey and exploration of uranium minerals in West Sumatra associated minerals shall be subject to the said Agreement in accordance with the applicable Indonesian laws.

“2. The mining authorization for prospecting and exploration in the envisaged area shall not be exclusive, i.e., the Indonesian Government shall continue to be entitled to permit interested third parties to enter the area concerned to seek minerals other than uranium or for other relevant purposes.

“3. The expenditures by the German side on prospecting and exploration shall be considered as a grant to the Indonesian side and shall therefore be dealt with on the same basis as non-repayable contributions by the German side under the Agreement of 8 April 1971 between the Government of the Federal Republic of Germany and the Government of the Republic of Indonesia concerning technical co-operation. The exploration costs, its amortization as well as its depreciation shall not be taken into account in calculating profits from the exploitation of the uranium deposits. The obligation of BATAN pursuant to article 5 (2) (d) of the Agreement concerning co-operation on the general survey and exploration of uranium minerals in West Sumatra to provide for adequate compensation on the terms and conditions specified therein shall not be affected.

pada hari ini mengenai Kerjasama di bidang Penggunaan Tenaga Atom untuk Maksud-maksud Damai dan tentang Kerjasama di bidang Penyelidikan Umum dan Eksplorasi Bahan Galian Uranium di Sumatera Barat, dan mengusulkan agar Pihak-pihak yang Bersepakat menyetujui pokok-pokok sebagai berikut :

/ 1. Untuk maksud-maksud yang sesuai dengan Pasal 5 dari Persetujuan mengenai Kerjasama di bidang Penyelidikan Umum dan Eksplorasi Bahan Galian Uranium di Sumatera Barat maka bahan galian ikutan diperlakukan berdasarkan Persetujuan tersebut sesuai dengan perundang-undangan Indonesia yang berlaku.

2. Kuasa pertambangan untuk penyelidikan umum dan eksplorasi di wilayah yang telah ditentukan tidak bersifat eksklusif, yaitu Pemerintah Indonesia tetap berhak untuk mengizinkan pihak-pihak ketiga yang berminat untuk memasuki wilayah tersebut untuk mencari bahan galian lain selain dari uranium, atau untuk maksud-maksud yang ada hubungannya dengan itu.

3. Biaya-biaya yang dikeluarkan oleh pihak Jerman untuk prospeksi dan eksplorasi dianggap sebagai suatu grant kepada pihak Indonesia dan dengan demikian diperlakukan atas dasar yang sama seperti sumbangan-sumbangan dari pihak Jerman yang tidak perlu dibayarkan kembali berdasarkan Persetujuan tanggal 8 April 1971 antara Pemerintah Republik Federal Jerman dan Pemerintah Republik Indonesia mengenai Kerjasama Teknik.

Biaya-Biaya eksplorasi, amortisasi dan juga depresiasi tidak akan dimasukkan dalam perhitungan keuntungan-keuntungan dari eksploitasi endapan-endapan uranium.

Kewajiban BATAN menurut Pasal 5 (2) d) dari Persetujuan mengenai Kerjasama di bidang Penyelidikan Umum dan Eksplorasi Bahan Galian Uranium di Sumatera Barat untuk mengusahakan kompensasi yang layak berdasarkan ketentuan-ketentuan dan syarat-syarat yang dicantumkan di dalamnya tidak akan terkena.



“Similarly, the Government of the Republic of Indonesia shall, in respect of the importation and exportation of goods supplied for the project on behalf of the Bundesanstalt für Geowissenschaften und Rohstoffe as well as the German specialists working on the project, grant the privileges and exemptions specified in article 4 (3) and article 5 of the Agreement of 8 April 1971 between the Government of the Federal Republic of Germany and the Government of the Republic of Indonesia concerning technical co-operation.

“4. As to article 5 (2) (d) of the Agreement concerning co-operation on the general survey and exploration of uranium minerals in West Sumatra BATAN shall arrange that upon request from the German side adequate compensation is given wholly or partially in the right to purchase the uranium produced. The export of this uranium shall be executed under the same conditions as mentioned in article 5 (2) (e) of the said Agreement, which envisages only the case that a uranium agreement is concluded between BATAN and BGR or the industrial firm designated by the Government of the Federal Republic of Germany.

“I should be grateful, Excellency, if you would inform me of your Government’s agreement with the contents of this letter, which is an integral part of the Agreement signed today concerning Co-operation on the General Survey and Exploration of Uranium Minerals in West Sumatra.

“Accept, Excellency, the assurances of my highest consideration.”

I have further the honour to confirm on behalf of the Government of the Republic of Indonesia the agreement with the contents of the above-mentioned letter, which forms an integral part of the Agreement signed today concerning co-operation on the general

Sema halnya, bahwa Pemerintah Republik Indonesia akan, dalam hubungan dengan pengimporan dan pengeksporaran barang-barang yang diserahkan untuk proyek ini atas nama Bundesanstalt für Geowissenschaften und Rohstoffe dan juga ahli-ahli Jerman yang bekerja di proyek, memberikan hak-hak istimewa dan pembebasan-pembebasan seperti dicantumkan dalam Pasal 4 (3) dan Pasal 5 dari Persetujuan tanggal 8 April 1971 antara Pemerintah Republik Federal Jerman dan Pemerintah Republik Indonesia mengenai Kerjasama Teknik.

4. Mengenai Pasal 5 (2) (d) Persetujuan Kerjasama di bidang Penyelidikan Umum dan Eksplorasi Bahan Galian Uranium di Sumatera Barat, atas permintaan dari pihak Jerman, BATAN akan mengatur kompensasi yang layak diberikan seluruhnya atau sebagian dalam bentuk hak membeli uranium yang dihasilkan. Ekspor uranium ini akan dilaksanakan sesuai dengan ketentuan-ketentuan seperti dicantumkan dalam Pasal 5 (2) (e) Persetujuan tersebut, yang hanya berlaku jika suatu persetujuan uranium diadakan antara BATAN dan BGR atau perusahaan industri yang ditunjuk oleh Pemerintah Republik Federal Jerman.

Saya akan sangat berterima kasih, Yang Mulia, jika Yang Mulia dapat menyampaikan kepada saya persetujuan dari Pemerintah Yang Mulia mengenai isi dari surat ini, yang merupakan bagian integral dari pada Persetujuan mengenai Kerjasama di bidang Penyelidikan Umum dan Eksplorasi Bahan Galian Uranium di Sumatera Barat yang ditandatangani hari ini.

Sudilah Yang Mulia menerima penghargaan saya yang setinggi-tingginya.”

Selanjutnya saya mendapat kehormatan untuk menegaskan atas nama Pemerintah Republik Indonesia persetujuan mengenai isi dari surat tersebut diatas, yang merupakan bagian integral dari pada Persetujuan mengenai Kerjasama di bidang Penye-

survey and exploration of uranium minerals in West Sumatra.

Accept, Excellency, the assurances of my highest consideration.

MALIK

His Excellency Dr. Kurt Müller  
Ambassador of the Federal Republic of  
Germany  
Jakarta

lidikan Umum dan Eksplorasi Bahan Galian Uranium di Sumatera Barat yang ditandatangani hari ini.

Sudilah Yang Mulia menerima penghargaan saya yang setinggi-tingginya.

[Signed — Signé]<sup>1</sup>

Yang Mulia Dr. Kurt Müller  
Duta Besar Republik Federal Jerman  
Jakarta

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<sup>1</sup> Signed by Adam Malik — Signé par Adam Malik.