

No. 21142

**MEXICO
and
GERMAN DEMOCRATIC REPUBLIC**

**Trade Agreement (with lists of exports). Signed at Mexico
City on 22 May 1974**

Authentic texts: Spanish and German.

Registered by Mexico on 9 July 1982.

**MEXIQUE
et
RÉPUBLIQUE DÉMOCRATIQUE ALLEMANDE**

**Accord commercial (avec listes d'exportations). Signé à
Mexico le 22 mai 1974**

Textes authentiques : espagnol et allemand.

Enregistré par le Mexique le 9 juillet 1982.

[TRANSLATION — TRADUCTION]

TRADE AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED MEXICAN STATES AND THE GOVERNMENT OF THE GERMAN DEMOCRATIC REPUBLIC

The Government of the United Mexican States and the Government of the German Democratic Republic, desiring to develop and enhance the trade and economic relations between the two States in accordance with the principles of equality and mutual advantage, have agreed as follows:

Article 1. The two Contracting Parties shall make every effort to develop and facilitate trade between the two States under the terms of this Agreement.

Article 2. 1. For the purpose of promoting and facilitating trade between the two States, the Contracting Parties shall accord each other most-favoured-nation treatment in all matters relating to trade relations and transport.

The most-favoured-nation treatment shall apply especially with respect to the granting of export and import permits, customs duties, other duties and charges which may be levied in connection with imports or exports, the method of levying them, the rules and formalities governing customs procedures, and the granting of convertible foreign exchange.

2. The most-favoured-nation treatment provided for in paragraph 1 shall not extend to the advantages which:

- (i) Either Contracting Party accords or may accord to neighbouring countries with a view to facilitating frontier trade;
- (ii) The Contracting Parties grant or may in future grant to third countries as a consequence of their participation in free-trade areas, customs unions or regional economic associations;
- (iii) The United Mexican States grant or may grant to any Latin American country or group of countries or to other developing countries, in respect of customs duties or other preferences.

Article 3. The two Contracting Parties declare their mutual interest in developing economic and trade relations between the two States and, within the framework of their respective laws in force, shall promote co-operation in those areas whenever it is in the interest of the two States.

Article 4. The trade in goods between the United Mexican States and the German Democratic Republic shall take place on the basis of indicative lists A (exports of the German Democratic Republic) and B (exports of the United Mexican States) annexed to this Agreement.

Lists A and B are an integral part of this Agreement and shall be revised periodically.

The two Contracting Parties agree that other goods not included on lists A and B may also be exported and imported by agreement between the Contracting Parties.

¹ Applied provisionally from 22 May 1974, the date of signature, and came into force definitively on 28 October 1975, the date on which the Contracting Parties had notified each other that it had been approved in conformity with their legal requirements, in accordance with article 19.

Article 5. To the extent possible, the two Contracting Parties shall endeavour constantly to increase the proportion of processed and semi-processed goods exported from the United Mexican States and to the German Democratic Republic, provided that the demand exists in the German Democratic Republic. The increase in the proportion of such goods shall not adversely affect trade in traditional goods, which the Parties shall seek to increase.

Article 6. The two Contracting Parties shall ensure that their competent institutions issue in a timely manner any export and import permits that may be required for the exports and imports covered by this Agreement.

Article 7. The trade in goods under this Agreement shall take place on the basis of contracts concluded between legal entities of the German Democratic Republic which are authorized to engage in external trade, on the one hand, and individuals and legal entities of the United Mexican States, on the other.

The above-mentioned individuals and legal entities shall assume full responsibility for any commercial transactions in which they engage.

Article 8. The two Contracting Parties agree to ensure that commercial transactions between the two States shall be carried out, in principle, directly, without representatives or commercial intermediaries from a third country.

Article 9. Vessels flying the flag of either of the two States shall, when they berth at, sail from or remain anchored at ports of the other, enjoy the same advantages as the vessels, crews and cargoes of any third State, in accordance with article 2, paragraph 2.

Article 10. Each Contracting Party shall exempt from customs duties, taxes and other charges, subject to the laws in force in the country concerned, imports and exports of the following goods and articles:

- (a) Samples of goods and commercial advertising materials, including commercial advertising films required for advertising purposes;
- (b) Specialized articles and tools introduced for assembly or repairs, provided that said articles and tools are re-exported;
- (c) Goods and articles intended for fairs and exhibitions, whether permanent or temporary, provided that said goods and articles are re-exported;
- (d) Packing materials used for imported products and packings imported for refilling, all of which must be re-exported at the end of a specific period fixed by the importing country.

Article 11. Each of the Contracting Parties shall permit enterprises and firms of the other State to hold fairs and exhibitions in its territory subject to the laws in force, and shall grant all possible facilities for the holding of such fairs and exhibitions.

Article 12. The two Contracting Parties agree that the prices of goods to be traded under the terms of this Agreement shall be set on the basis of international market prices, i.e., the prices for similar goods on the major international markets.

Article 13. All payments occasioned by this Agreement shall be made in United States dollars or in another freely convertible currency, in accordance with the currency and exchange laws in force.

Article 14. Any revenues and profits earned for transport services provided by an enterprise of one Contracting Party in the country of the other shall be subject to tax only in the country in which the enterprise in question is domiciled. An agreement concerning this matter shall be negotiated separately.

The revenues and profits referred to in the preceding paragraph may be used to make payments in the territory of the other Party, or may be freely transferred abroad subject to the internal laws of the Contracting Parties.

Article 15. Nothing in this Agreement shall be interpreted as preventing either of the two Governments from adopting or implementing measures relating to:

- (a) Public safety and order, national defence or the maintenance of international peace and security;
- (b) The traffic in weapons, munitions and military matériel;
- (c) The enforcement of existing health measures or any which may be necessary in future to protect human, animal and plant health;
- (d) The protection of the national artistic, historical and archaeological heritage;
- (e) The import and export of gold and silver;
- (f) The trading, utilization and consumption of nuclear materials, radioactive products or any other material which can be utilized in the development and utilization of nuclear energy.

Article 16. For the purpose of implementing this Agreement and discussing fundamental matters concerning the development of trade relations at the request of one of the Contracting Parties, a governmental Joint Commission composed of representatives of the Contracting Parties shall be established and shall meet at least once a year, alternately in the capitals of the two States. The Commission shall have the following functions:

- (a) To consider opportunities for developing trade between the two States and recommend the necessary measures to that end;
- (b) To help to eliminate problems which may hamper trade between the two States;
- (c) To consider opportunities for co-operation in the setting up of industrial plants in Mexico within the framework of the Mexican Government's development programmes and industrialization policy.

Article 17. The provisions of this Agreement shall also apply to any contracts concluded while the Agreement is in force which have not been implemented prior to its expiry.

Article 18. The written agreement of the Contracting Parties shall be required for any amendments or modifications to this Agreement.

Article 19. This Agreement shall apply provisionally from the date of its signature. The definitive entry into force of the Agreement shall require ratification or approval, as the case may be, in accordance with the laws in force in the two countries.

The Agreement shall enter into force definitively on the date on which the Contracting Parties notify each other, through an exchange of notes, that it has been ratified or approved, as the case may be, in accordance with their laws.

Once it has entered into force definitively, the Agreement shall remain in force for three years and shall be extended automatically for further one-year periods unless one of the Contracting Parties denounces it in writing three months prior to the expiry of the current period.

DONE AND SIGNED at Mexico City, D.F., on 22 May 1974, in two original copies, in the Spanish and German languages, both texts being equally authentic.

For the Government
of the United Mexican States:

[Signed]

EMILIO O. RABASA
Minister for Foreign Affairs

For the Government
of the German Democratic Republic:

[Signed]

HORST SOELLE
Minister of External Trade

LIST A

EXPORTS OF THE GERMAN DEMOCRATIC REPUBLIC

Installations and equipment for:

- Mining (open-pit mining)
- The briquette industry
- The manufacture of machine-tools
- Communications
- The sugar industry
- The cement industry
- The textile industry
- The food industry
- Foundries
- The printing industry
- The chemical industry
- Electrotechnical products
- Heating equipment
- Agricultural machinery
- Complete laboratories and laboratory instruments
- Hospital equipment
- Equipment and instruments for use in the optical and electronics industries

- Machine-tools
- Machinery for manufacturing plastics and rubber articles
- Road construction machinery
- Cranes and lifting devices
- Industrial ceramics machinery
- Railway vehicles
- Steel products
- Paraffin wax
- Chemical products
- Fertilizers
- Textile materials and synthetic threads
- Office machinery
- Photographic cameras and photochemical industry products
- Teaching materials
- Pharmaceutical products and raw materials
- Other products

LIST B

EXPORTS OF THE UNITED MEXICAN STATES

- Oranges
- Grapefruit
- Bananas
- Lemons
- Pineapples (fresh and canned)
- Strawberries
- Ground-nuts, whether or not shelled, as well as canned
- Coffee beans, not roasted
- Cocoa beans
- Barley
- Orange juice

- Lemon juice
- Tomato juice
- Tomato purée
- Shrimps
- Chillies or red peppers
- Black pepper
- Vanilla
- Anise
- Tequila, mescal
- Natural honey
- Canned mushrooms
- Canned asparagus

Banana purée	Petroleum and petroleum products
Vegetable oils	Motor oils
Canned nuts	Benzol
Powdered coffee	Essential oils
Manganese ore	Hormones
Zinc	Cellulose
Copper	Triphosphates
Asbestos	Nitrogenous fertilizers
Mica	Chemical products (organic and inorganic)
Sulphur	Synthetic gum
Molybdenum	Gelatin for use in the printing industry
Silver	Industrial coloring materials
Red lead	Pharmaceutical products
Rosin	Copper wire
Litharge	Iron or steel wire
Mercury	Seamless steel pipes
Graphite	Iron or steel sheets
Raw cotton	Electrical industry parts
Cotton fabrics	Albuminous fadders
Cotton yarn	Wood for veneers
Knitted articles of apparel	Veneers
Textile materials used for the packing of goods	Footwear
Raw henequen	Handicrafts
	Sundries
