

No. 22626

**FEDERAL REPUBLIC OF GERMANY
and
BURMA**

**Agreement concerning financial co-operation (with annex).
Signed at Rangoon on 24 August 1982**

Authentic texts: German, Burmese and English.

Registered by the Federal Republic of Germany on 29 December 1983.

**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE
et
BIRMANIE**

**Accord de coopération financière (avec annexe). Signé à
Rangoon le 24 août 1982**

Textes authentiques : allemand, birman et anglais.

Enregistré par la République fédérale d'Allemagne le 29 décembre 1983.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE
SOCIALIST REPUBLIC OF THE UNION OF BURMA CONCERN-
ING FINANCIAL CO-OPERATION

The Government of the Federal Republic of Germany and the Government of the Socialist Republic of the Union of Burma,

In the spirit of the friendly relations existing between the Socialist Republic of the Union of Burma 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,

Intending to contribute to social and economic development in the Socialist Republic of the Union of Burma,

With reference to the minutes of 17 February 1982 of the intergovernmental negotiations held in Bonn,

Have agreed as follows:

Article 1. (1) The Government of the Federal Republic of Germany shall enable the Myanma Foreign Trade Bank and/or another recipient to be determined jointly by the two Governments to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, loans up to a total of DM 107,000,000 (one hundred and seven million Deutsche Mark) and, as necessary, financial contributions up to a total of DM 9,450,000 (nine million four hundred and fifty thousand Deutsche Mark) for preparatory and attendant implementation and support measures as well as for the implementation of a social infrastructure project, to finance projects as follows:

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|--|---------------------|
| (a) Fertilizer factory No. 3 | up to DM 35,000,000 |
| (b) Multi-purpose fill dam Kinda (power plant section) | up to DM 22,000,000 |
| (c) Hydroelectric power station Phaungdaw | up to DM 10,000,000 |
| (d) Multi-purpose fill dam Yenwe (power plant section) | up to DM 20,000,000 |
| (e) Cotton farm project | up to DM 10,000,000 |
| (f) Fund for studies and experts (financial contribution) | up to DM 3,000,000 |
| (g) Supply of diesel locomotives | up to DM 10,000,000 |
| (h) Rural water supply to improve the social infrastructure (financial contribution) | up to DM 6,450,000 |

if, after examination, the projects have been found eligible for promotion.

The funds for the projects

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|---|--------------------|
| — Tin ore dressing plant Heinda | (DM 4,995,000) and |
| — Management consulting for the tin ore dressing plant Heinda | (DM 2,900,000) |

¹ Came into force on 24 August 1982 by signature, in accordance with article 8.

which, as mutually agreed, shall not be implemented, shall be used for the following projects if, after examination, they have been found eligible for promotion:

- (i) Fund for studies and experts (financial contribution) DM 1,000,000
- (j) Co-operative oil mills DM 5,400,000
- (k) Power-driven cargo vessels DM 1,495,000.

(2) The Government of the Federal Republic of Germany shall further enable the Myanmar Foreign Trade Bank to raise with the Kreditanstalt für Wiederaufbau, Frankfurt/Main, a loan of up to DM 20,000,000 (twenty 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. The supplies and services must be such as are covered by the list annexed to this Agreement and for which supply or service contracts have been concluded after the signing of the agreements to be concluded pursuant to article 2 of the present Agreement.

(3) This Agreement shall also apply if, at a later date, the Government of the Federal Republic of Germany enables the Government of the Socialist Republic of the Union of Burma to obtain from the Kreditanstalt für Wiederaufbau further loans or financial contributions for the preparation of the projects referred to in paragraph 1 above or further financial contributions for attendant measures required for their implementation and support.

(4) The projects referred to in paragraph 1 above may be replaced by other projects if the Government of the Federal Republic of Germany and the Government of the Socialist Republic of the Union of Burma so agree.

Financial contributions for preparatory and attendant measures pursuant to paragraphs 1 and 3 above shall be converted into loans in the event that they are not used for such measures.

Article 2. (1) The utilization of the amounts referred to in article 1 of this Agreement as well as the terms and conditions on which they are made available shall be governed by the provisions of the agreements to be concluded between the recipient of the loans and financial contributions and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

(2) The Government of the Socialist Republic of the Union of Burma, insofar as it is not itself the borrower, shall guarantee to the Kreditanstalt für Wiederaufbau all payments in Deutsche Mark to be made in fulfilment of the borrowers' liabilities under the agreements to be concluded pursuant to paragraph 1 above.

Article 3. The Government of the Socialist Republic of the Union of Burma shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Socialist Republic of the Union of Burma in connection with the conclusion and implementation of the agreements referred to in article 2 of the present Agreement.

Article 4. (1) The Government of the Socialist Republic of the Union of Burma shall allow, for such transportation by sea or air of persons and goods as results from the granting of the loans and financial contributions, free choice of

transport enterprises flying the flag of either the Federal Republic of Germany or the Socialist Republic of the Union of Burma.

(2) Shipping companies flying the flag of the Federal Republic of Germany or of the Socialist Republic of the Union of Burma shall participate on a fair and equal basis in such transportation of goods from the German area of application of this Agreement as results from the granting of the loans and financial contributions. The Government of the Socialist Republic of the Union of Burma shall grant any necessary permits for the participation of shipping companies flying the flag of the Federal Republic of Germany.

Article 5. (1) Supplies and services for projects financed from the loans and the financial contributions shall, unless otherwise provided for in individual cases, be subject to international public tender.

(2) The procedure to be followed in awarding the contracts for the implementation of the project referred to in article 1 (1) (f) and (i) of this Agreement shall be determined in the financing agreement to be concluded between the recipient and the Kreditanstalt für Wiederaufbau.

Article 6. With regard to supplies and services resulting from the granting of the loans and the financial contributions, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential of Land Berlin.

Article 7. 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 Government of the Socialist Republic of the Union of Burma within three months of the date of entry into force of this Agreement.

Article 8. This Agreement shall enter into force on the date of signature thereof.

DONE at Rangoon on 24th August 1982, in duplicate in the German, Burmese and English languages, all three texts being authentic. In case of divergent interpretations of the German and Burmese texts, the English text shall prevail.

For the Government
of the Federal Republic of Germany:

[Signed]

Dr. HELMUT TÜRK

For the Government of the the Socialist
Republic of the Union of Burma:

[Signed]

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ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF THE FEDERAL
REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE SOCIALIST
REPUBLIC OF THE UNION OF BURMA CONCERNING FINANCIAL CO-
OPERATION

1. List of goods and services eligible for financing from the loan under article 1 (2) of the Agreement of 24th August 1982:

Spare parts and accessories of all kinds for the following projects promoted under German-Burmese financial and technical co-operation:

- Bawdwin mines,
- Heavy Industries Corporation,
- Fertilizer factory Kyunchaung,
- Hmawbi and Danyingone brick factories.

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.
