

No. 23137

**FRANCE
and
HUNGARY**

Agreement on the development of economic, industrial and technical co-operation. Signed at Budapest on 25 November 1974

Authentic texts: French and Hungarian.

Registered by France on 12 November 1984.

**FRANCE
et
HONGRIE**

Accord sur le développement de la coopération économique, industrielle et technique. Signé à Budapest le 25 novembre 1974

Textes authentiques : français et hongrois.

Enregistré par la France le 12 novembre 1984.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ ON THE DEVELOPMENT OF ECONOMIC, INDUSTRIAL AND TECHNICAL CO-OPERATION BETWEEN THE GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE HUNGARIAN PEOPLE'S REPUBLIC

The Government of the French Republic and the Government of the Hungarian People's Republic,

Referring to the long-term Trade and Economic Agreement of 5 January 1970, the long-term Agreement on scientific and technical co-operation of 28 July 1966² and the Agreement on economic and industrial co-operation of 5 December 1968 between the two countries, as well as the participation of the two countries in the General Agreement on Tariffs and Trade,³

Wishing to avail themselves of the opportunities offered by the economic development of the two countries for the strengthening of their mutual relations,

Bearing in mind the crucial importance of economic, industrial and technical co-operation for the development of relations between the two countries,

Recognizing the advantage of adopting long-term measures in order to provide stable prospects for bilateral economic co-operation,

Wishing to encourage and expand economic, industrial and technical co-operation between the two countries on a basis of equality and in accordance with their mutual interests, and to enhance conditions for the development of this co-operation,

Have agreed as follows:

Article 1. The Government of the French Republic and the Government of the Hungarian People's Republic undertake to promote, develop and support economic, industrial and technical co-operation between enterprises and organizations of the two countries. They shall take all necessary measures towards that end in the most liberal spirit.

Article 2. The two Governments, wishing to establish close co-operation between enterprises, are aware of the advantage of a better understanding of each other's long-term development plans.

Taking into account the distinctive characteristics of such plans, the agencies responsible for planning shall undertake mutual exchanges of information concerning their respective objectives and methods in order to identify opportunities for co-operation and inform the organizations and enterprises concerned.

Article 3. The two Governments shall determine the sectors in which the expansion of co-operation seems desirable and, in those sectors, they shall encourage and support co-operative initiatives.

Special attention shall be given to the mechanical and electrical industries, computers, the chemical industry, construction, the agriculture and food industries, telecommunications and machine tools.

¹ Came into force on 25 November 1974 by signature, in accordance with article 12.

² United Nations, *Treaty Series*, vol. 1381, No. I-23168.

³ *Ibid.*, vol. 55, p. 187.

Other areas shall be determined by the Joint Commission referred to in article 8, as new opportunities arise.

Article 4. Economic, industrial and technical co-operation between French and Hungarian organizations and enterprises may take different forms:

- Co-operation in the study and execution of industrial projects, either for the construction of new plant or the extension or modernization of existing plant,
- Co-operation to improve the utilization of productive capacity and increase competitiveness through co-production arrangements so as to find outlets in the markets of the two countries or in third country markets,
- Technical co-operation, including the exchange of patents and documentation and the development of projects involving practical applications.

Article 5. The two Governments shall encourage joint ventures by enterprises of the two countries in third country markets.

For this purpose they shall communicate to each other between sessions of the Joint Commission such information as may be of interest to the enterprises of either country, having regard to their own competence and experience.

Article 6. The two Governments shall support the initiatives of firms with respect to co-production, technical co-operation, market research and efforts to gain access to markets.

For that purpose they shall encourage the conclusion of long-term contracts to consolidate lasting ties of co-operation between enterprises and organizations of the two countries.

Article 7. The Government of the French Republic and the Government of the Hungarian People's Republic shall, within the framework of their regulations in force, grant each other the most favourable treatment possible, in respect of economic, industrial and technical co-operation, and shall afford each other all possible facilities for the implementation of economic, industrial and technical projects agreed upon by the two parties.

The two Governments shall consider the possibility of removing obstacles that might impede the implementation of co-operation projects based on the mutual interest of French and Hungarian enterprises.

They shall study for that purpose the measures which, within the framework of their regulations in force and bearing in mind their international commitments, might facilitate the attainment of this objective.

Bearing in mind the importance of financing for the development of industrial co-operation, the two Governments shall make every effort to ensure that financing is made available on the most favourable terms possible, in the light of the merits of each activity and within the framework of the regulations in force in each country.

Article 8. In order to insure optimum conditions for the implementation of this Agreement, a Franco-Hungarian Joint Commission for Economic, Industrial and Technical Co-operation shall be established and shall meet at the request of the two Governments at least once a year, alternately in Paris and at Budapest.

The Commission shall:

- Organize the implementation of this Agreement and consider all measures necessary for that purpose;
- Co-ordinate all economic, industrial and technical co-operation between the two countries;
- Investigate and study proposals likely to promote the development of co-operation between the two countries. It may establish specialized committees for this purpose.

Article 9. The activities of the Joint Commission referred to in article 8, and its subsidiary bodies, shall be organized by a secretariat. The latter shall co-ordinate the work of the Joint Commission, the sub-commissions and specialized committees, as well as the mutual and continual exchange of information.

Article 10. The two Governments shall define and carry out scientific and technical co-operation on the basis of the programmes of the Joint Scientific and Technical Commission established under the Agreement on Scientific and Technical Co-operation concluded between the two countries on 28 July 1966.

Article 11. This Agreement shall be implemented in conformity with the regulations in force, the agreements concluded between the two countries and the international commitments of each of them, particularly those referred to in the preamble to this Agreement.

Article 12. This Agreement shall enter into force on the date of its signature for a period of 10 years. After this period it shall be automatically renewed from year to year provided that neither of the two Governments terminates it by a note upon six-months' notice.

Six months before the expiry of this Agreement the Contracting Parties shall agree upon the measures to be taken to ensure the continuation of economic, industrial and technical co-operation between the two countries.

DONE at Budapest on 25 November 1974, in duplicate in the French and Hungarian languages, both texts being equally authentic.

For the Government
of the French Republic:

[BERNARD DESTREMEAU]

For the Government
of the Hungarian People's Republic:

[JENŐ BACZONI]
