

No. 23175

**SWEDEN
and
MADAGASCAR**

**Trade Agreement (with schedules). Signed at Antananarivo
on 2 April 1966**

Authentic text: French.

Registered by Sweden on 11 December 1984.

**SUÈDE
et
MADAGASCAR**

**Accord de commerce (avec listes). Signé à Antananarivo le
2 avril 1966**

Texte authentique : français.

Enregistré par la Suède le 11 décembre 1984.

[TRANSLATION — TRADUCTION]

TRADE AGREEMENT¹ BETWEEN THE KINGDOM OF SWEDEN AND THE MALAGASY REPUBLIC

The Government of the Kingdom of Sweden and the Government of the Malagasy Republic,

Desiring to strengthen the existing bonds of friendship between the two countries and to develop their trade,

Considering that increased exports and industrialization are essential factors for the economic development of the developing countries,

Have agreed as follows:

Article 1. The two Contracting States undertake to adopt all possible measures consonant with international agreements and the laws and regulations in force in each of the two countries with a view to facilitating their trade.

Article 2. The two Contracting States shall grant each other most-favoured-nation treatment in customs matters and in respect of all special charges, dues and all rules and formalities connected with the import, export and transit of goods.

Nevertheless, most-favoured-nation treatment shall not apply to:

- (a) Advantages that either of the Contracting States accord or may in future accord to contiguous countries in respect of frontier traffic;
- (b) Advantages accorded or which may in future be accorded to members of a customs union, free-trade area or similar international agreement in which one of the Contracting States takes part;
- (c) Advantages which either of the Contracting States may accord within the framework of regional or subregional arrangements with a view to promoting trade between developing countries;
- (d) Advantages which Sweden has accorded or may accord to Denmark, Finland, Iceland or Norway.

Article 3. In endeavouring to develop trade between their two countries, the Contracting States, while conforming to their import and export regulations, shall pay special attention to the products listed in schedules A and B, which are an integral part of this Agreement.

It is agreed that trade between the two States shall not be limited to the goods listed in these schedules.

Article 4. The competent authorities of the Contracting Parties shall, whenever they deem it appropriate, draw the attention of import-export organizations and of importers and exporters to the trade opportunities which may arise.

Article 5. The two Contracting States shall not introduce discriminatory measures that might be injurious to the maritime activities of the other State.

¹ Came into force on 23 June 1967 by an exchange of notes confirming the completion of the constitutional requirements, in accordance with article 11.

This provision shall not apply to shipping engaged in cabotage, home trade and towage which is governed by the laws and regulations in force in each of the two countries.

Article 6. Merchant vessels flying the flag of one of the Contracting States and their cargo shall receive, in all matters pertaining to rights and privileges for entry and departure and stays in the ports of the other State, the same treatment as the vessels of that State, or most-favoured-nation treatment.

Article 7. All questions of maritime and shipping insurance concerning commercial traffic between the Contracting States shall be settled freely between importers and exporters of the two States within the framework of the laws in force in the countries of the Contracting States.

Article 8. Investments, property, rights and interests belonging to nationals, foundations, associations or companies of one of the Contracting States in the territory of the other shall receive fair and equitable treatment in accordance with the law of nations and the provisions of the national laws of the Contracting States, which shall be at least equal to that accorded by each State to its nationals, or if it is more favourable, the treatment accorded to the nationals, foundations, associations and companies of the most-favoured nation.

Each Contracting State shall guarantee the transfer of invested capital and the income therefrom and, in the event of liquidation, of the proceeds thereof, for nationals, foundations, associations or companies of the other Contracting State.

The nationals, foundations, associations or companies of one of the States may not be deprived of their property in the territory of the other State for any reasons save the public good.

If one State expropriates or nationalizes property, rights or interests belonging to nationals, foundations, associations or companies of the other State or takes any other direct or indirect dispossession measure affecting such nationals, foundations, associations or companies, it shall provide for the payment of adequate and effective compensation, in accordance with the law of nations. Such compensation, the amount of which shall be fixed at the time of the expropriation, nationalization or dispossession, shall be transferable and shall be paid to the beneficiary, whatever his place of residence, without undue delay. However, expropriation, nationalization or dispossession measures shall be neither discriminatory nor contrary to any specific agreement.

Article 9. If a dispute arises between the States concerning the interpretation or implementation of the provisions of article 8 above and if it cannot be settled satisfactorily through the diplomatic channel within six months, it shall be submitted, on the request of either State, to a court of arbitration composed of three members. To that end, the Party which is the plaintiff shall send a request to the other party for the establishment of the court of arbitration. Each State shall designate one arbitrator.

The two arbitrators so designated shall appoint a third, who must be a national of a third State, to act as chairman.

If one of the Parties has not designated an arbitrator within three months following notice of the request, the President of the International Court of Justice shall, upon the expiry of that period, make such a designation at the request of the other Party.

If the two arbitrators cannot agree on the choice of a chairman within two months of their designation, the latter shall be appointed, on the request of one of the States, by the President of the International Court of Justice.

If, in the cases specified in paragraphs 2 and 3 of this article, the President of the International Court of Justice is unable to do so or if he is a national of one of the States, the appointments shall be made by the Vice-President. If he is unable to do so or if he is a national of one of the States, the appointment shall be made by the oldest member of the Court who is not a national of either State.

The Court shall rule on its competence.

Unless the Contracting Parties agree otherwise, the court shall establish its own rules of procedure. The court of arbitration shall make its award by a majority.

The court's awards shall be rendered in writing. They shall be final and binding on the Parties.

Each Party shall pay the costs arising from the activity of the arbitrator it appoints. Each Party shall pay half the costs arising from the activity of the chairman of the court of arbitration.

No dispute settled according to the provisions of this article may be submitted to any other international authority.

Article 10. A Joint Commission shall be established to supervise the implementation of the present Agreement. It shall meet as often as necessary, either at Tananarive or at Stockholm.

Article 11. This Agreement shall enter into force after an exchange of notes confirming that the constitutional requirements have been observed.

It shall be valid for one year and shall be renewed each year by tacit agreement, unless notice has been given three months prior to its expiry.

If it is denounced, the provisions of Articles 8 and 9 above shall continue to apply for another 10 years to investments made prior to denunciation.

DONE in duplicate in the French language at Tananarive on 2 April 1966.

For the Government of the Kingdom of Sweden:

ERLAND KLEEN

For the Government of the Malagasy Republic:

A. SYLLA

SCHEDULE "A"¹

SWEDISH PRODUCTS FOR EXPORTATION

SCHEDULE "B"¹

MALAGASY PRODUCTS FOR EXPORTATION

¹ Not published herein in accordance with article 12 (2) of the General Assembly regulations to give effect to Article 102 of the Charter of the United Nations as amended in the last instance by General Assembly resolution 33/141 A of 19 December 1978.