

No. 23362

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**CHINA  
and  
BANGLADESH**

**Long-term Trade Agreement (with schedules). Signed at  
Dhaka on 21 December 1984**

*Authentic texts: Chinese and English.*

*Registered by China on 17 May 1985.*

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**CHINE  
et  
BANGLADESH**

**Accord commercial à long terme (avec listes). Signé à Dacca  
le 21 décembre 1984**

*Textes authentiques : chinois et anglais.*

*Enregistré par la Chine le 17 mai 1985.*

## LONG TERM TRADE AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

The Government of the People's Republic of China and the Government of the People's Republic of Bangladesh (hereinafter referred to as the Contracting Parties), with a view to further enhancing the friendship and developing trade relations between the two countries, have, through friendly consultation, reached agreement as follows:

*Article 1.* The Contracting Parties shall take appropriate measures to develop trade between their two countries and facilitate the exchange of goods between the two countries.

*Article 2.* The trade and exchange of goods between the two countries shall be conducted in accordance with the import and export laws, rules and procedures, and the foreign exchange laws and regulations in force from time to time in each respective country.

*Article 3.* The Contracting Parties shall grant to each other the most-favoured-nation treatment in all matters relating to shipping, customs duties and other taxes to be levied on the importation and exportation of commodities, and to rules, formalities and charges of customs management.

The provisions of the preceding paragraph, however, shall not apply to:

- (a) Preferences and advantages which either Contracting Party has accorded or may accord to bordering countries in order to facilitate their frontier trade; and
- (b) Preferences and advantages which result from any customs unions or free trade areas to which either Contracting Party is or may become a member.

*Article 4.* During the period of validity of this Agreement, the value of exports by each of the Contracting Parties will be approximately 200 million to 250 million U.S. Dollars.

*Article 5.* In accordance with the requirements and possibilities of the Contracting Parties, the exchange of commodities between the two countries shall be made on the basis of Schedule "A" (Exports from Bangladesh to China) and Schedule "B" (Exports from China to Bangladesh) attached to this Agreement.

However, this Agreement does not preclude the exchange of commodities not listed in the above-mentioned schedules.

*Article 6.* The import and export of goods under this Agreement shall be carried out on the basis of contracts to be concluded between foreign trade corporations of China, on the one hand, and the state trading corporations and other importers and exporters of Bangladesh, on the other.

*Article 7.* The Contracting Parties agree to conclude a trade Protocol for each Agreement year to fix the value of trade and the major commodities to be exchanged in the same Agreement year.

*Article 8.* The Contracting Parties agree that in order to hold consultation on and for carrying out this Agreement, they would meet every year in Beijing and Dhaka alternately.

<sup>1</sup> Came into force on 1 January 1985, in accordance with article 13.

*Article 9.* Payments for the goods exchanged under this Agreement and the incidental expenses thereof such as freight, insurance premiums, banking and commercial commissions, shall be effected through the accounts to be opened by the banks of the two countries. Accordingly, the Bank of China and Sonali Bank of Bangladesh shall open an account in their books in each other's name. U.S. Dollar will be used as the accounting currency for these accounts.

The Contracting Parties shall mutually provide each other with an interest-free swing limit to the extent of U.S. Dollar 1.4 million. Should the balance of the said account exceed this swing limit, interest will be charged for the amount in excess of such limit at a rate to be mutually agreed upon by the two banks mentioned in this Article.

However, the importers and exporters of Bangladesh and China may also conclude contracts for supply of goods to be paid in convertible currencies.

*Article 10.* At the end of each Agreement year, if the net balance of the accounts exceeds the swing limit, the amount in excess shall be transferred into a new account and the Party having the adverse balance shall settle the excess amount within three months by the deliveries of goods listed in the attached Schedules. If there still remains a balance in the new accounts after three months, the same shall be liquidated by the payment of U.S. Dollar or other convertible currencies.

At the expiration of this Agreement, the outstanding balance of accounts shall be settled within three months by the deliveries of goods to be mutually agreed upon by the Contracting Parties. If there still remains a balance after three months, the party having the adverse balance shall settle it by the payment of U.S. Dollar or other convertible currencies.

*Article 11.* The value of the U.S. Dollar, the accounting currency under this Agreement, shall be determined in terms of the Special Drawing Rights. The technical details shall be finalized in the banking arrangement to be worked out by the two banks.

*Article 12.* For implementation of the provisions of this Agreement and the Trade Protocols signed under this Agreement, a banking arrangement shall be concluded between the two banks mentioned in Article 9 of this Agreement.

*Article 13.* This Agreement shall cover a period of five years and come into effect from the 1st day of January, 1985, and remain in force until December 31, 1989.

DONE in Dhaka on the 21st day of December, 1984, in two original copies, each written in the Chinese and English languages, both texts being equally authentic.

For and on behalf  
of the Government  
of the People's Republic  
of China:

[Signed]

WANG PINQING  
Minister's Representative for Foreign  
Economic Relations and Trade and  
Leader of the Chinese Trade Del-  
egation

For and on behalf  
of the Government  
of the People's Republic  
of Bangladesh:

[Signed]

S. HASAN AHMAD  
Secretary, Ministry of Commerce and  
Leader of the Bangladesh Trade Del-  
egation

## SCHEDULE "A"

INDICATIVE LIST OF EXPORTS FROM BANGLADESH TO CHINA  
FOR THE PERIOD 1985-1989

<i>Sl. No.</i>	<i>Items</i>	<i>Sl. No.</i>	<i>Items</i>
1.	Raw jute	9.	Rayon
2.	Jute goods	10.	Cellophane
3.	Hides and skins (tanned and semi-tanned)	11.	Fertilizer
4.	Leather (finished) and leather products	12.	Electric wires and cables
5.	Sugar	13.	Telephone cables
6.	Processed timber	14.	Jute carpets
7.	Tobacco	15.	Jute yarn
8.	Newsprint, paper and paper pulp	16.	PVC products
		17.	Others

## SCHEDULE "B"

INDICATIVE LIST OF EXPORTS FROM CHINA  
TO BANGLADESH FOR THE PERIOD 1985-1989

<i>Sl. No.</i>	<i>Items</i>	<i>Sl. No.</i>	<i>Items</i>
1.	Coal	8.	Dyes and chemicals
2.	M. S. billets	9.	Light industrial products
3.	Pig iron	10.	Textiles
4.	Cotton	11.	Machinery and equipment
5.	Rice	12.	Hydroelectric power equipment
6.	High-speed diesel oil	13.	Tools and hardwares
7.	Lubricating base oil	14.	Others