

No. 25682

**SPAIN
and
ALGERIA**

**Economic and Financial Co-operation Agreement. Signed at
Madrid on 27 June 1972**

Authentic texts: Spanish and Arabic.

Registered by Spain on 24 February 1988.

**ESPAGNE
et
ALGÉRIE**

**Accord de coopération économique et financière. Signé à
Madrid le 27 juin 1972**

Textes authentiques : espagnol et arabe.

Enregistré par l'Espagne le 24 février 1988.

[TRANSLATION — TRADUCTION]

ECONOMIC AND FINANCIAL CO-OPERATION AGREEMENT¹ BETWEEN THE SPANISH STATE AND THE PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA

The Government of the Spanish State and the Government of the People's Democratic Republic of Algeria, in the spirit of friendship that unites both countries and desiring to develop economic co-operation between the two countries to their mutual advantage, have decided to conclude this Economic and Financial Co-operation Agreement and have to this end designated as their plenipotentiaries:

For the Government of the Spanish State: His Excellency Mr. Gregorio López Bravo, Minister for Foreign Affairs;

For the Government of the People's Democratic Republic of Algeria: His Excellency Mr. Abdelaziz Bouteflika, member of the Council of the Revolution, Minister for Foreign Affairs,

who, having exchanged their full powers, found in good and due form, have decided as follows:

Article I. In order to create conditions that will make it possible to strengthen economic relations between the People's Democratic Republic of Algeria and Spain, the Government of the Spanish State shall make a loan totalling two thousand five hundred and seventy-eight million convertible pesetas, to be reimbursed in 20 equal biannual payments, beginning at the end of the thirty-sixth month following the date of the entry into force of this Agreement. The Government of the People's Democratic Republic of Algeria may, however, at any time, repay in advance the whole or part of the existing debt.

The sums drawn on the loan shall yield simple annual interest at 4.5 per cent from the date of the drawing and shall be paid, free of any charge or commission, on 30 June and 31 December of each year.

Repayment of the principal, together with payment of interest, shall be made in convertible pesetas and shall be exempt from any expense or deduction.

Article II. The loan to which the preceding article refers shall be used to finance up to a total of 95 per cent of the payments due from the People's Democratic Republic of Algeria for the acquisition in Spain of capital goods and of the studies and projects agreed on in the Hispano-Algerian Mixed Commission or otherwise, as provided for in article VIII of this Agreement.

This financing shall be complementary to and subsequent to the initial 5 per cent payment which the Algerian purchaser shall pay to the Spanish suppliers.

Article III. The loan to which article I refers may be drawn on for a period of two years from the date of entry into force of this Agreement. If the total amount of the loan has not been used within the said period, the two Contracting Parties may mutually agree on a possible extension of the period for its use, which shall in no event exceed two additional years.

¹ Came into force on 7 April 1973 by the exchange of the instruments of ratification, in accordance with article IX.

Article IV. The date of the drawing on the loan shall, for each specific transaction, be the date on which the Banco de España debits the account of the Banque Centrale d'Algérie for the amounts of the payment orders in favour of the Spanish exporters.

Article V. In each country, the amounts drawn on the loan covered by this Agreement, together with the sums intended for the repayment of the said amounts and the payment of interest, shall be exempt from taxes, expenses or charges of any kind.

Article VI. The execution of the financial transactions arising from this agreement shall be entrusted:

- (a) On behalf of the Spanish Government to the Banco de España;
- (b) On behalf of the Government of the People's Democratic Republic of Algeria, to the Banque Centrale d'Algérie.

Article VII. For the purposes of implementing the provisions of the preceding article, the Banco de España, acting on behalf of and for the account of the Spanish Government, shall open a line of credit for the total amount of the loan in favour of the Banque Centrale d'Algérie, acting on behalf and for the account of the Government of the People's Democratic Republic of Algeria. The Banque Centrale d'Algérie may issue repayment orders to cover payments financed under the aforementioned credit, in accordance with the provisions of articles II and VIII.

The Banco de España and the Banque Centrale d'Algérie shall establish a technical agreement for the implementation of the provisions of this Agreement.

Article VIII. The Mixed Commission on Economic Co-operation between Spain and the People's Democratic Republic of Algeria shall meet within the six weeks following the date of entry into force of this Agreement in order to determine the projects which can benefit from financing under this Agreement. The Commission shall also establish the timetable for its subsequent meetings.

In the intervals between the regular or special sessions of the Mixed Commission, the two Parties shall use the diplomatic channel for the purpose of determining the projects which can benefit from financing under this Agreement.

The agreed projects shall be the subject of contracts between the agencies or enterprises of the two countries, on the basis of international competition.

Article IX. This Agreement shall enter into force on the date of the exchange of the instruments of ratification and shall remain in force until both Contracting Parties have discharged all obligations pursuant thereto.

DONE at Madrid on 27 June 1972, in two copies, one in the Spanish language and the other in the Arabic language, both texts being equally authentic.

For the Government
of the Spanish State:

[Signed]

GREGORIO LÓPEZ BRAVO

For the Government
of the People's Democratic Republic
of Algeria:

[Signed]

ABDELAZIZ BOUTEFLIKA