

No. 25655

**CHINA
and
ICELAND**

Trade Agreement. Signed at Beijing on 17 October 1987

Authentic texts: Chinese, Icelandic and English.

Registered by China on 22 February 1988.

**CHINE
et
ISLANDE**

Accord commercial. Signé à Beijing le 17 octobre 1987

Textes authentiques : chinois, islandais et anglais.

Enregistré par la Chine le 22 février 1988.

TRADE AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA AND THE GOVERNMENT OF THE REPUBLIC OF ICELAND

The Government of the People's Republic of China and the Government of the Republic of Iceland,

With a view to strengthening the friendly relations between the People's Republic of China and the Republic of Iceland,

Desirous to further promote and develop, on the basis of equality and mutual advantage, trade and economic relations between the two countries,

Have agreed as follows:

Article 1

The two Contracting Parties are determined to take all appropriate measures for the promotion of a continuous and steady development of trade between the two countries as well as for the creation of as favourable conditions as possible for such a development. The two Parties shall promote diversification of mutual trade.

Article 2

The two Contracting Parties shall, within the framework of laws and regulations in force in the respective countries, endeavour to reduce or progressively eliminate all kinds of obstacles to the exchange of goods and the provision of services.

Article 3

The two Contracting Parties shall accord to each other most-favoured-nation treatment in the following matters:

- Custom duties and other charges applied to the import, export, transshipment or transit of goods;
- Methods of levying such charges as well as the administrative custom procedure;
- Administrative formalities for the issue of import and export licences.

The above-mentioned provisions shall not apply to advantages accorded by either Contracting Party with reference to an existing or future customs union, free trade area or other preferential arrangements, nor to advantages which either Contracting Party has accorded or may accord to neighbouring countries in order to facilitate frontier traffic.

Article 4

The two Contracting Parties shall promote a harmonious development of trade and shall contribute, each by its own means, to such a development.

¹ Came into force on 17 October 1987 by signature, in accordance with article 11.

Article 5

The two Contracting Parties shall encourage organizations and enterprises engaged in foreign trade to negotiate and conclude contracts, including long-term contracts, on normal commercial terms.

Article 6

The two Contracting Parties shall encourage commercial transactions with respect to complete plants and know-how and shall give due attention to all possibilities of commercial and technical cooperation in connection with such transactions.

Article 7

Payments between the two countries shall be effected, as agreed by the business Parties concerned, in the currencies of the two countries or in any mutually acceptable and freely convertible currency, in accordance with the laws and exchange control regulations in force in the respective countries.

Article 8

The two Contracting Parties shall promote mutual visits of economic, trade and industrial personnel, groups and delegations, and encourage industrial and technical exchanges and contacts of a commercial character.

The two Contracting Parties shall, in accordance with laws and regulations in the respective countries, permit organizations and enterprises of the other country engaged in foreign trade between the two countries to establish permanent representations or offices in their respective countries and render support with regard to providing appropriate working conditions for representatives of such organizations and enterprises.

The two Contracting Parties recognize the importance of economic and commercial information for the development of trade and will promote an increased exchange of such information.

Article 9

The two Contracting Parties shall inform each other of problems that could arise in mutual trade and in the spirit of promotion of trade seek mutually satisfactory solutions through friendly consultations.

If urgent and critical circumstances require immediate action and make prior consultations impossible either Contracting Party can take safeguard measures, keeping in mind the general objectives of this Agreement.

Article 10

The two Contracting Parties agree to establish a Mixed Governmental Commission for Trade. The Mixed Commission shall meet, at the request of either Contracting Party, in the People's Republic of China and in the Republic of Iceland alternately.

The tasks of the Mixed Commission are to review the implementation of this Agreement, to study the means and measures for the development of trade, and to consider questions in relation to the exchange of goods and the provision of services as well as other questions with respect to this Agreement.

Article 11

This Agreement shall enter into force upon signature and shall remain in force for five years. It shall thereafter be automatically extended for one year at a time, unless either of the two Contracting Parties gives the other Contracting Party written notice of termination of the Agreement not later than six months before its expiry.

DONE at Beijing on 17th October 1987 in duplicate in the Chinese, Icelandic and English languages, the three texts being equally authentic.

For the Government
of the People's Republic
of China:

[Signed — Signé]¹

For the Government
of the Republic
of Iceland:

[Signed — Signé]

PETUR THORSTEINSSON

¹ Signed by Zhu Youlan — Signé par Zhu Youlan.