

No. 26915

BRAZIL
and
UNION OF SOVIET SOCIALIST REPUBLICS

Agreement concerning a long-term programme of economic, commercial, scientific and technological cooperation (with annex). Signed at Brasília on 30 September 1987

Authentic texts: Portuguese and Russian.

Registered by Brazil on 24 October 1989.

BRÉSIL
et
UNION DES RÉPUBLIQUES
SOCIALISTES SOVIÉTIQUES

Accord relatif à un programme à long terme de coopération économique, commercial, scientifique et technique (avec annexe). Signé à Brasília le 30 septembre 1987

Textes authentiques : portugais et russe.

Enregistré par le Brésil le 24 octobre 1989.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS CONCERNING A LONG-TERM PROGRAMME OF ECONOMIC, COMMERCIAL, SCIENTIFIC AND TECHNOLOGICAL COOPERATION

The Government of the Federative Republic of Brazil and
The Government of the Union of Soviet Socialist Republics
(Hereinafter called “the Parties”),

Desiring to expand cooperation in the economic, commercial, scientific and technological fields on a stable, dynamic and long-term basis,

Guided by the provisions of the Trade and Payments Agreement between the Federative Republic of Brazil and the Union of Soviet Socialist Republics of 20 April 1963,² the Basic Agreement on Scientific and Technical Cooperation between the Government of the Federative Republic of Brazil and the Government of the Union of Soviet Socialist Republics of 16 April 1981³ and the Agreement on Economic and Technical Cooperation between the Government of the Federative Republic of Brazil and the Government of the Union of Soviet Socialist Republics of 10 December 1985,⁴ and

With a view to the practical implementation of the principles and objectives set out in those Agreements,

Have concluded this Agreement concerning a long-term programme of economic, commercial, scientific and technological cooperation.

GENERAL PROVISIONS

Article 1

This Agreement shall be implemented in accordance with the legislation in force in each of the countries.

Article 2

The Parties shall promote the expansion and intensification of long-term economic, commercial, scientific and technological cooperation between the two countries on the basis of the principles of equal rights and mutual benefit in accordance with the requirements and possibilities of each Party and with a view to the fullest utilization of the prospects opened up by scientific and technological progress and the special features of the economy of each country.

¹ Came into force on 19 October 1988, the date of the last of the notifications by which the Parties informed each other of the completion of the required legal procedures, in accordance with article 31.

² United Nations, *Treaty Series*, vol. 646, p. 235.

³ *Ibid.*, vol. 1281, p. 433.

⁴ See p. 353 of this volume.

Article 3

The economic, commercial, scientific and technological cooperation provided for under this Agreement shall promote the most effective utilization by each country of natural and raw material resources, advanced technology and the development of industrial and agricultural production and of other branches of the economy.

Article 4

The Parties shall promote the creation of favourable and mutually acceptable financial conditions both within the framework of existing intergovernmental agreements and on the basis of other agreements.

Article 5

The Parties shall take the necessary measures to develop and expand trade exchanges on a long term and as balanced a basis as possible with a view to increasing both the volume of exports of each country and the proportion of high-level manufactured goods, taking into account the requirements and possibilities of each country.

Article 6

The Parties shall encourage initiatives directed towards the development of industrial cooperation between the organizations and enterprises of the two countries.

Article 7

The Parties shall promote the development of economic cooperation with third countries, in particular through participation in joint projects, the supply of equipment and the carrying out of construction and assembly work.

Article 8

The Parties shall encourage cooperation between foreign trade and industrial organizations, enterprises and associations in the two countries, by, *inter alia*, organizing seminars, symposia, commercial and industrial exhibitions, business visits and other activities which could contribute to the expansion of cooperation as provided for under this Agreement.

ECONOMIC AND TECHNICAL COOPERATION

Article 9

The Parties, bearing in mind the importance of economic and technical cooperation for the strengthening of relations between the two countries, shall pay particular attention to those areas which offer the most favourable prospects for the development of such cooperation.

Article 10

The Parties shall promote the execution of major projects of mutual interest, including projects to be executed on a compensatory basis, taking due account of the international obligations of each Party.

Article 11

The Parties shall encourage contacts, consultations and discussions between corresponding organizations with a view to defining and coordinating the aims of economic cooperation and the conditions for its implementation.

COMMERCIAL COOPERATION

Article 12

The Parties, noting that trade remains the basis of economic relations between Brazil and the USSR, shall endeavour to develop more dynamic and diversified trade exchanges, having due regard for the specific features and possibilities of the economies of the two countries.

Article 13

The Parties shall promote the development of trade on as balanced a basis as possible. In that regard, the Parties shall endeavour to intensify trade, expand the range of goods and utilize new forms of trade, including trilateral trading operations.

Article 14

In order to ensure the development of trade, the Parties deem it useful to implement the following measures:

- (a) The preparation and consideration of recommendations concerning the basic directions in which trade should be developed;
- (b) The wider utilization of the new forms of trade referred to in articles 16, 17, 18 and 19 of this Agreement;
- (c) The conclusion by Brazilian and Soviet organizations and enterprises of linked operations for the export and import of raw materials, foodstuffs, sources of energy (oil, coal), machinery, equipment and industrial consumer goods, having due regard for the international obligations of each Party;
- (d) The provision of assistance to organizations and firms in the conclusion of long-term contracts;
- (e) The strengthening of business links between the foreign trade organizations of the two countries;
- (f) The provision of assistance in the organization of national exhibitions and participation in international exhibitions;
- (g) The expansion of inter-bank relations, *inter alia*, through the conclusion of inter-bank agreements which could facilitate the development of trade between the two countries.

Article 15

The Parties, with a view to increasing the volume of and diversifying trade between the two countries and having due regard for the possibilities, requirements and legislation of each country and bearing in mind the levels reached by the Parties in various areas of industrial production, have agreed that an increase in reciprocal deliveries of high-level manufactured goods, including machinery and equipment, as well as of services, offers favourable prospects for the development of trade between the two countries and will endeavour to promote it. At the same time, the

Parties have agreed that deliveries of raw materials, sources of energy (oil and coal), agricultural and industrial goods and foodstuffs, which are traditional in their bilateral trade, remain the most important constituent of that trade and may be increased, having due regard for the possibilities and requirements of the two countries.

COOPERATION IN THE INDUSTRIAL AND AGRICULTURAL SECTORS

Article 16

The Parties consider that the areas mentioned in the Annex to this Agreement may be suitable areas for cooperation, including research leading to the execution of joint projects. This list is of an indicative nature, and does not preclude cooperation in other areas. The cooperation referred to may also be undertaken on a compensatory basis.

COOPERATION IN PRODUCTION

Article 17

The Parties, taking into account the fact that the specific features of the economies of the two countries create opportunities for better utilization of available resources, shall endeavour to cooperate with a view to enhancing the efficiency of production and accelerating scientific and technological progress in Brazil and the USSR, and expanding and diversifying their economic relations. In implementing such cooperation, the Parties shall take into account the possibilities and economic potential of Brazil and the USSR.

Article 18

Cooperation in production may take the following forms:

- (a) The exchange of licences, patents, know-how, technical information and new technology;
- (b) The execution of projects and the joint development of technological processes;
- (c) The joint production and supply of equipment components and parts.

Article 19

The cooperation provided for in this section shall be undertaken on the basis of mutual agreement. The Parties shall, in so far as they are able, promote the exchange of information with a view to developing cooperation in production between their respective organizations and enterprises.

COOPERATION IN PLANNING AND CONSTRUCTION IN THIRD COUNTRIES

Article 20

The Parties recognize that cooperation in third countries opens up important prospects for the development of relations between Brazil and the USSR, provided that in each specific case it serves the interests expressed by the receiving country. Such cooperation may be implemented through Brazilian and Soviet organizations specializing in planning and construction by means of the supply of equipment and the provision of engineering services.

Article 21

The Parties note the possibilities for cooperation in third countries in such sectors as the metallurgical and mining industries, energy, the chemical and petroleum industries, mechanical engineering, oil extraction, the production of cement, medical equipment, telecommunications, irrigation, civil engineering, consultancy services, and others.

Article 22

Organizations in the two countries shall exchange information on questions relating to the possibilities for carrying out joint cooperation activities in third countries.

COOPERATION IN THE FIELD OF SCIENCE AND TECHNOLOGY

Article 23

The Parties note the importance of cooperation in the field of science and technology, and shall encourage such cooperation between scientific and industrial organizations on a long-term basis with a view to utilizing scientific and technological advances in the interests of the economies of the two countries.

Article 24

Such cooperation shall be implemented in the pure and applied sciences; agriculture; the forestry industry; metallurgy; mechanical engineering; energy; oceanography; standardization and metrology; scientific and technological information, including patent information; biotechnology; new materials, information science and computer technology, including software, microelectronics, automation of management systems; and space research for peaceful purposes.

Article 25

Specific initiatives relating to cooperation in the field of science and technology shall take account of the relevant programmes to be elaborated at meetings of the Subcommission on Scientific and Technological Cooperation, within the framework of the Intergovernmental Brazilian-Soviet Commission on Trade, Economic, Scientific and Technological Cooperation.

FINAL PROVISIONS

Article 26

The measures relating to the implementation of this Agreement shall be coordinated through the diplomatic channel.

Article 27

The Intergovernmental Brazilian-Soviet Commission on Trade, Economic, Scientific and Technological Cooperation shall periodically evaluate the progress made in cooperation and shall make any necessary recommendations with a view to the implementation of this Agreement.

Article 28

The Parties may, by mutual consent, supplement this Agreement and the Annex thereto in the light of any new requirements and possibilities that may arise.

Article 29

This Agreement shall not affect the rights and obligations deriving from the bilateral and multilateral agreements and treaties concluded by each Party.

Article 30

The suspension or termination of this Agreement shall not affect the execution of contracts concluded and of any other obligations undertaken within the framework of this Agreement which have not been fulfilled at the time of the suspension or termination.

Article 31

This Agreement shall enter into force on the date of the final notification that the legal formalities required for its entry into force have been completed by the Parties in accordance with the legislation in force in each country, and it shall remain in force for a period of 10 years. This Agreement shall be automatically renewed for periods of five years unless one of the Parties notifies the other in writing, no later than six months prior to the expiry of the corresponding period of validity, of its intention not to renew it.

DONE at Brasília on 30 September 1987, in two original copies, each in the Portuguese and Russian languages, both texts being equally authentic.

For the Government
of the Federative Republic
of Brazil:

[Signed]

ROBERTO DE ABREU SODRÉ

For the Government
of the Union of Soviet
Socialist Republics:

[Signed]

EDUARD A. SHEVARDNADZE

ANNEX TO THE AGREEMENT CONCERNING A LONG-TERM PROGRAMME OF ECONOMIC, COMMERCIAL, SCIENTIFIC AND TECHNOLOGICAL COOPERATION

AREAS FOR COOPERATION IN THE INDUSTRIAL AND AGRICULTURAL SECTORS

Ferrous metallurgy

- (a) Construction of a ferro-manganese plant in Brazil;
- (b) Transfer of technological processes and of equipment-manufacturing technology;
- (c) Construction of metallurgical plants, including a full-cycle plant.

Non-ferrous metallurgy

- (a) Integrated utilization of deposits, enrichment of wastes with a view to extracting gold, and extraction of molybdenum from copper concentrate, including the transfer of the relevant technologies;
- (b) Vacuum refining;
- (c) Enrichment and production of non-ferrous metals;
- (d) Research into the extraction of chlorides of rare-earth metals and of chlorine from the residues of chloridated leaching of ore concentrate.

Energy

- (a) Participation in projects for the production of electric power;
- (b) Construction of electricity supply lines;
- (c) Supply of individual items of equipment for hydroelectric power stations;
- (d) Utilization of super-conductive metals for the production of electric power through magnetohydrodynamic generators (the principle of magnetohydrodynamics).

Mechanical engineering

- (a) Cooperation with Brazilian companies in the manufacture of equipment for hydro-electric power stations, on the basis, *inter alia*, of Soviet projects;
- (b) The development and manufacture of machinery and equipment, including components and parts, adapted to the climatic conditions in which they will be used;
- (c) A study of the possibilities for cooperation in the automobile industry;
- (d) Cooperation with Brazilian companies in the manufacture of machinery and equipment for agriculture.

Fuel industry

Processing of deposits of peat and coal, in particular low-grade coal for coking or energy purposes; construction of refineries; utilization of shale.

Chemical industry

Construction of plants for the production of methanol, epichlorohydrin, etc.

Pharmaceutical industry

- (a) Construction of plants for the production of vitamin C;
- (b) Production of insulin, tetracycline hydrochloride and pharmaceutical raw materials.

Transport

- (a) Construction of underground railways;
- (b) Electrification of railways and organization of railway transport;
- (c) Planning and expansion of ports.

Petroleum industry

Manufacture of machinery and equipment for the extraction and processing of oil and gas.

Telecommunications

The field of telecommunications, including telephone communications.

Manufacture of consumer goods

Manufacture of consumer goods, including durable consumer goods.

Agriculture and irrigation

- (a) Execution of irrigation projects, mainly in the north-east of Brazil;
 - (b) Study of drainage problems and the agro-technology of rice growing;
 - (c) Processing of livestock products;
 - (d) Construction of a network of enterprises for the production and distribution of orange juice and other food products in the USSR.
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