

No. 27177

**FRANCE
and
CHINA**

Long-term Agreement on the development of economic relations and of co-operation (with related letters and annexes). Signed at Peking on 4 December 1978

Authentic texts of the Agreement: French and Chinese.

Authentic texts of related letters and annexes: Chinese.

Registered by France on 26 March 1990.

**FRANCE
et
CHINE**

Accord à long terme sur le développement des relations économiques et de la coopération (avec lettres connexes et annexes). Signé à Pékin le 4 décembre 1978

Textes authentiques de l'Accord : français et chinois.

Textes authentiques des lettres connexes et des annexes : chinois.

Enregistré par la France le 26 mars 1990.

[TRANSLATION — TRADUCTION]

LONG-TERM AGREEMENT¹ ON THE DEVELOPMENT OF ECONOMIC RELATIONS AND COOPERATION BETWEEN THE GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

The Government of the French Republic and the Government of the People's Republic of China, wishing to strengthen the traditional bonds of friendship between the two peoples and to continue to develop their economic relations on the basis of equality and reciprocal advantage, in view of the opportunities latent in long-term economic cooperation between the two countries, have agreed as follows:

Article 1

The two Governments shall take all appropriate measures to create the best possible conditions for the strengthening of economic relations and cooperation between the two countries with a view to a rapid increase in their bilateral trade; they shall endeavour to ensure a balance of mutual advantages and to promote the harmonious expansion of their economic relations.

Article 2

With a view to strengthening the development of their economic relations, the two Governments shall encourage their enterprises and agencies to establish closer contacts and to take every initiative with a view to concluding contracts or agreements, according to the needs and capabilities of the two countries. They shall promote the signature and execution of such contracts or agreements on the basis of mutual benefit.

The two Governments shall ensure that small and medium-sized enterprises are able to play an active part in the development of bilateral exchanges.

Article 3

The two Governments agree to expand their economic cooperation and trade in the following areas: agriculture, livestock raising, food and the food industry, energy (including electrical power generation from all sources, oil, natural gas, coal and new sources of energy), mining, the iron and steel and non-ferrous metal industries, the chemical industry, transport (including the air, sea and land sectors), electronics, computer technology, space technology, audio-visual technology, telecommunications, mechanical engineering, textiles, the consumer goods industry, services, engineering and any other sector agreed upon by both sides.

Article 4

In order to expand their economic relations, the two Governments shall, for the benefit of their enterprises and agencies, promote the development of different types

¹ Came into force on 9 July 1979, the date on which the Parties notified each other of the completion of the required procedures, in accordance with article 9.

of cooperation in both countries, in accordance with the principle of mutual advantage:

1. Cooperation, at the planning and the execution stage, either in the construction of new economic entities or in the transformation or expansion of existing entities;
2. Cooperation at the production stage, using the technology and facilities of one Party in order to increase exports to it from the other Party;
3. Cooperation in joint undertakings at the production and marketing stages;
4. Technological cooperation, both through exchanges of patents and documentation and through the development of common technological processes;
5. Cooperation of any other type agreed upon by the two Parties.

Article 5

The two Governments shall extend to each other, subject to the procedures and regulations in force, the most favourable possible financial arrangements for economic cooperation projects agreed upon by the two Parties.

Article 6

The two Governments shall, according to their respective capabilities, grant each other every facility for the execution of economic cooperation projects agreed upon between the two Parties, in particular in respect of working and living conditions, such as offices and housing, communications facilities, the issuance of visas and the business travel of persons participating in the development of economic cooperation.

Article 7

The two Governments agree that the Sino-French Mixed Commission established in May 1975 shall be responsible for the implementation of this Agreement and shall meet every year, alternately in the French Republic and the People's Republic of China, to review progress in the development of economic relations between the two countries.

Article 8

The two Governments reserve the right to engage in such consultations as their respective international commitments may require, provided, however, that such consultations shall be without prejudice to the fundamental purposes of this Agreement.

Article 9

This Agreement shall enter into force on the date on which the two Governments notify each other that the requisite legal procedures have been completed in both countries. It is concluded for a period of seven years.

Six months prior to the date of expiry of this Agreement, the two Governments shall hold consultations and take the necessary measures to ensure the continuation of their economic cooperation.

DONE at Beijing, on 4 December 1978, in duplicate in the French and Chinese languages, both texts being equally authentic.

For the Government
of the French Republic:

[*Signed*]

J. F. DENIAU

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

[*Signed*]

LI CHIANG

RELATED LETTERS

THE MINISTER OF FOREIGN TRADE
OF THE PEOPLE'S REPUBLIC OF CHINA

Beijing, 4 December 1978

Sir,

By a letter of today's date you were kind enough to transmit to me the following:

"The long-term Agreement on the development of economic relations and cooperation between the Government of the French Republic and the Government of the People's Republic of China was signed on 4 December 1978.

"In accordance with the provisions of article 1 of that Agreement, the two Governments have agreed to make every effort to ensure that, during the period 1979-1985, exports from each of the Parties are developed in a mutually advantageous manner, establishing as an objective the achievement of a better trade balance so that the cumulative total of trade amounts to 60 billion francs and an annual figure of 12 billion francs is attained during the year 1985.

"The two Governments have agreed to specify the sectors and projects in respect of which economic cooperation between the two countries will be developed.

"The sectors and projects thus specified are listed in annexes I and II to this letter."

On behalf of the Chinese Government, I have the honour to agree to the foregoing.

Accept, Sir, etc.

LI CHIANG

Mr. J. F. Deniau
Minister of Foreign Trade

ANNEX I

DEVELOPMENT OF FRENCH SALES

The Chinese Government shall take all appropriate steps to encourage the Chinese agencies and enterprises concerned to develop and expand their imports of products, equipment and technology from France and their cooperation with French enterprises, taking into account the technical standards and conditions of the international market, in the following sectors:

1. Agricultural and livestock products (sugar, milk products, fats, grains, seeds, plants, breeding animals); biological and veterinary products; processing of agricultural food products (sugar from beet).
2. Electrical power generation (nuclear, thermal (600 MW), hydraulic (low head), wind and solar).
3. Exploration, production and refining of hydrocarbons and petrochemicals.
4. Mining sector (coal, ferrous and non-ferrous metals).
5. Non-ferrous metals industry (alumina, aluminium, processing; magnesium, etc.) and conversion of existing factories.
6. Chemical and chemical industry products and by-products (fertilizers, insecticides and other products, plant health products, synthetic fibres, plastics, plasticizers, etc.).
7. Textiles and clothing.
8. Metallurgical and iron and steel products and by-products, iron and steel industry (ordinary and special steel, conversion of existing factories).
9. Mechanical and electrical industries (machine tools, textile machines, agricultural machines, accumulators, motors, etc.).
10. Transport equipment (vehicles, rolling-stock, underground trains, aircraft, ships) and renovation of existing factories.
11. Construction materials industry (cement, glass) and equipment for civil engineering and public works, and for the hotel industry.
12. Port and airport installations (including tracking systems for air and maritime navigation).
13. Electronics, computer, audio-visual and space industries.
14. Telecommunications.
15. Measurement, testing, precision and optical instruments and apparatus.
16. Medical and hospital supplies.
17. Services.
18. Miscellaneous.

ANNEX II

DEVELOPMENT OF CHINESE SALES

The French Government shall take all appropriate steps to encourage the French agencies and enterprises concerned to develop and expand their imports of products, equipment and technology from the People's Republic of China and their cooperation with Chinese enterprises, taking into account the technical standards and conditions of the international market, in the following sectors:

1. Grains and oils (rice, soya, fats and oils).
2. Food products (frozen pork and frozen rabbit meat, aquatic products, preserves, fruit, frozen and dehydrated vegetables).
3. Textiles, finished or semi-finished textile products (raw silk, silk, synthetic fabrics and thread, hosiery, clothing).
4. Local products and animal by-products (tea, essential oils, leather and hides, fur, pig bristle, catgut, feathers and down and articles incorporating these products).
5. Durable and non-durable industrial consumer products (household china, household articles, office supplies, sports equipment).
6. Handicraft products (pearls and precious stones, jewellery, ivory, jade, sculptured wood and stone, lacquer, antiques and silk flowers, etc.).
7. Energy-generating products (petroleum, coal, other sources of energy).
8. Raw materials for the chemical industry, chemical products and by-products.
9. Raw materials for the pharmaceutical industry, pharmaceutical products (intended for Chinese and Western medicine), medical instruments.
10. Ferrous metals, non-ferrous metals, rare metals, metallurgical products and by-products.
11. Metalloids and their products.
12. Measurement, testing, precision and optical instruments and apparatus.
13. Electrical and electronics industries products.
14. Equipment for the mechanical and light industries (machine tools, forging and pressure tools, specialized machines, electrical machines and equipment, etc.).
15. Services.
16. Miscellaneous.

THE MINISTER OF FOREIGN TRADE
OF THE PEOPLE'S REPUBLIC OF CHINA

Beijing, 4 December 1978

Sir,

By a letter of today's date you were kind enough to transmit to me the following:

"The Government of the French Republic and the Government of the People's Republic of China signed a long-term agreement on the development of economic relations and cooperation on 4 December 1978.

"In the spirit of this agreement, the French authorities are prepared to promote the purchase in France by the Chinese authorities of complete industrial units and capital goods by making export credits available to them to finance goods and services of French origin, in respect of orders which may amount to a total of 30 billion francs during the period 1979-1985.

"The conditions and modalities of these credits shall be determined on a case-by-case basis depending on the nature and value of the projects, in accordance with the agreements, regulations and procedures in force.

"In order to respond to the wishes expressed by the Chinese side and bearing in mind the resolve of the two Governments to strengthen their cooperation and rapidly increase the global volume of their trade, the French Government, in respect of contracts which entered into force prior to 31 December 1979, is prepared:

- To fix the rate of the credit-insurance premium added to the interest rate, at a level 0.45 per cent per annum below the normal rate,
- Unless an exception is made, to reduce the level of down payments to 15 per cent, 5 per cent to be paid at the time the order is placed and 10 per cent to be prorated on deliveries or supplies."

On behalf of the Chinese Government, I have the honour to agree to the foregoing.

Accept, Sir, etc.

LI CHIANG

Mr. J. F. Deniau
Minister of Foreign Trade
