

No. 27266

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**FEDERAL REPUBLIC OF GERMANY  
and  
MYANMAR**

**Agreement concerning financial cooperation. Signed at  
Rangoon on 31 March 1987**

*Authentic texts: German, Burmese and English.*

*Registered by the Federal Republic of Germany on 11 May 1990.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
MYANMAR**

**Accord de coopération financière. Signé à Rangoon le  
31 mars 1987**

*Textes authentiques : allemand, birman et anglais.*

*Enregistré par la République fédérale d'Allemagne le 11 mai 1990.*

# AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF THE UNION OF BURMA CONCERNING FINANCIAL CO-OPERATION

The Government of the Federal Republic of Germany and

The Government of the Socialist Republic of the Union of Burma,

In the spirit of the friendly relations existing between the Federal Republic of Germany and the Socialist Republic of the Union of Burma,

Desiring to strengthen and intensify those friendly relations through financial co-operation in a spirit of partnership,

Aware that the maintenance of those relations constitutes the basis of this Agreement,

Intending to contribute to social and economic development in the Socialist Republic of the Union of Burma,

With reference to the minutes of 28 November 1986 of the intergovernmental negotiations held in Bonn and the pledge given by the Embassy of the Federal Republic of Germany in Rangoon on 22 December 1986,

Have agreed as follows:

## *Article 1*

(1) The Government of the Federal Republic of Germany shall enable the Government of the Socialist Republic of the Union of Burma or another recipient to be determined jointly by the two Governments to obtain from the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main, loans and, as necessary, financial contributions up to a total of DM 37,300,000 (thirty-seven million three hundred thousand Deutsche Mark) for the preparation of financial co-operation projects as well as for attendant measures required for their implementation and support if, after examination, the projects have been found eligible for promotion.

(2) The financing funds referred to in paragraph 1 above shall be utilized for the following projects:

(a) A loan of up to DM 16,000,000 (sixteen million Deutsche Mark) for a sectoral energy programme designed to improve energy distribution all over the country as well as the exploitation of available energy-generating capacity;

(b) A loan of up to DM 9,000,000 (nine million Deutsche Mark) for a sectoral industry programme concerning the supply of two-year requirements of spare parts and materials for two fertilizer factories and for the supply of machinery, spare parts and equipment for the production of pump and engines;

(c) A loan of up to DM 3,000,000 (three million Deutsche Mark) to cover additional expenditure for spare parts for 25 locomotives supplied previously;

<sup>1</sup> Came into force on 31 March 1987 by signature, in accordance with article 7.

(d) A loan of up to DM 7,000,000 (seven million Deutsche Mark) for additional expenditure arising in connection with the establishment of a co-operative oil mill in Katha;

(e) A financial contribution of up to DM 2,300,000 (two million three hundred thousand Deutsche Mark) for a supplementary public-health education campaign under the Rural Water Supply project.

(3) The projects referred to in paragraph 2 above may be replaced by other projects if the Government of the Federal Republic of Germany and the Government of the Socialist Republic of the Union of Burma so agree.

Financial contributions for preparatory and attendant measures pursuant to paragraphs 1 and 2 above shall be converted into loans in the event that they are not used for such measures.

#### *Article 2*

(1) The utilization of the amounts referred to in Article 1 of this Agreement and the terms and conditions on which they are made available, as well as the procedure for awarding contracts, shall be governed by the provisions of the agreements to be concluded between the recipient of the loans and the financial contribution and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

(2) The Government of the Socialist Republic of the Union of Burma, insofar as it is not itself the borrower, shall guarantee to the Kreditanstalt für Wiederaufbau all payments in Deutsche Mark to be made in fulfilment of the borrower's liabilities under the agreements to be concluded pursuant to paragraph 1 above.

#### *Article 3*

The Government of the Socialist Republic of the Union of Burma shall exempt the Kreditanstalt für Wiederaufbau from all taxes and other public charges levied in the Socialist Republic of the Union of Burma in connection with the conclusion and implementation of the agreements referred to in Article 2 of the present Agreement.

#### *Article 4*

(1) The Government of the Socialist Republic of the Union of Burma shall allow, for such transportation by sea or air of persons and goods as results from the granting of the loans and the financial contribution, free choice of transport enterprises flying the flag of either the Federal Republic of Germany or the Socialist Republic of the Union of Burma.

(2) Shipping companies flying the flag of the Federal Republic of Germany or of the Socialist Republic of the Union of Burma shall participate on a fair and equal basis in such transportation of goods from the German area of application of this Agreement as results from the granting of the loans and the financial contribution. The Government of the Socialist Republic of the Union of Burma shall grant any necessary permits for the participation of shipping companies flying the flag of the Federal Republic of Germany.

#### *Article 5*

With regard to supplies and services resulting from the granting of the loans and the financial contribution, the Government of the Federal Republic of Germany

attaches particular importance to preferential use being made of the economic potential of *Land Berlin*.

*Article 6*

With the exception of those provisions of Article 4 which refer to air transport, this Agreement shall also apply to *Land Berlin*, provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of the Socialist Republic of the Union of Burma within three months of the date of entry into force of this Agreement.

*Article 7*

This Agreement shall enter into force on the date of signature thereof.

DONE at Rangoon on 31 March 1987 in duplicate in the German, Burmese and English languages, all three texts being authentic. In case of divergent interpretations of the German and Burmese texts, the English text shall prevail.

For the Government  
of the Federal Republic  
of Germany:

[Signed]

DR. BARON VON MARSCHALL

For the Government  
of the Socialist Republic  
of the Union of Burma:

[Signed]

U NYUNT MAUNG