

No. 7134

**SYRIAN ARAB REPUBLIC
and
IRAQ**

Agreement on economic co-operation (with schedules and exchange of letters). Signed at Baghdad, on 3 November 1961

Official text: Arabic.

Registered by the Syrian Arab Republic on 14 February 1964.

**RÉPUBLIQUE ARABE SYRIENNE
et
IRAK**

Accord de coopération économique (avec listes et échange de lettres). Signé à Bagdad, le 3 novembre 1961

Texte officiel arabe.

Enregistré par la République arabe syrienne le 14 février 1964.

[TRANSLATION — TRADUCTION]

No. 7134. AGREEMENT¹ ON ECONOMIC CO-OPERATION
BETWEEN THE REPUBLIC OF IRAQ AND THE SYRIAN
ARAB REPUBLIC. SIGNED AT BAGHDAD, ON 3 NO-
VEMBER 1961

The Government of the Republic of Iraq and the Government of the Syrian Arab Republic,

Desiring to strengthen the national and natural ties between their two countries and reaffirming their resolve to bring about their countries' economic integration,

Have agreed as follows :

Article 1

1. The Government of the Syrian Arab Republic shall authorize the importation directly into the Syrian Arab Republic of agricultural, animal and manufactured products and natural resources of Iraqi origin, and the Government of the Republic of Iraq shall authorize the exportation of such products.

2. The Government of the Republic of Iraq shall authorize the importation directly into the Republic of Iraq of agricultural, animal and manufactured products and natural resources originating in the Syrian Arab Republic, and the Government of the Syrian Arab Republic shall authorize the exportation of such products.

3. Each Contracting Party shall afford the other Party preferential treatment in the issue of import and export licences.

Article 2

1. Agricultural, animal and manufactured products and natural resources originating in the territory of one Contracting Party and imported by the other Party shall be exempt from Customs duties.

2. Notwithstanding the provisions of paragraph 1 of this article :

(a) The articles and goods listed in schedule 1² to this Agreement shall be liable to full Customs duty;

¹ Came into force on 20 December 1961, the date of the exchange of the instruments of ratification, in accordance with article 15.

² See p. 64 of this volume.

- (b) The articles and goods listed in schedule 2¹ to this Agreement shall be entitled to 25 per cent remission of Customs duty;
- (c) The articles and goods listed in schedule 3² to this Agreement shall be entitled to 50 per cent remission of Customs duty.

Article 3

1. In no circumstances shall agricultural, animal or manufactured products or natural resources originating in the territory of either Contracting Party and exported to the territory of the other Party be subject to payment in the importing country of duties higher than those imposed on domestic products of the same kind and on the primary commodities of which they consist or on either of the two categories of product.

2. In no circumstances shall agricultural, animal or manufactured products or natural resources which originate in the territory of either Contracting Party and are exported to the territory of the other Party and of which there is no corresponding production in the latter territory be subject to any internal duties.

Article 4

1. Every commodity entitled to exemption from or remission of Customs duties under this Agreement shall be accompanied by a certificate of origin issued by the competent authorities of each country. Manufactured products shall not be deemed to be of Iraqi or Syrian origin unless the Iraqi or Syrian primary commodities and the local costs of production entering into their manufacture account for not less than 40 per cent of the total cost of production.

2. The proportion of 40 per cent referred to in paragraph 1 of this article shall not apply in the case of the goods and articles listed in schedule 4 to this Agreement, provided that the Iraqi or Syrian primary commodities and the local costs of production entering into their manufacture account for not less than 25 per cent of the total cost of production. With the consent of the Governments of the two Contracting Parties, items may be added to or removed from the said schedule.

Article 5

Either of the Contracting Parties may re-export any goods or articles exchanged under this Agreement save those which the other Contracting Party has requested should not be re-exported.

¹ See p. 64 of this volume.

² See p. 66 of this volume.

Article 6

1. The settlement of "current transactions" between individuals and bodies corporate domiciled in the Republic of Iraq and the Syrian Arab Republic shall be effected in any transferable currency agreed upon by the two Contracting Parties or, in the case of non-resident accounts, in Iraqi dinars.

2. Each Contracting Party shall permit the transfer of the currencies referred to in the foregoing paragraph to the territory of the other Contracting Party to cover payments arising out of "current transactions" between the two countries in accordance with the terms of this Agreement.

Article 7

1. The provisions of the Payments Agreement between the Republic of Iraq and the United Arab Republic of 11 October 1958 shall, in so far as relates to the Syrian Arab Republic, be deemed to be in force until the date on which effect is given to the present Agreement.

2. The account of the Syrian Central Bank opened with the Iraqi Central Bank under the Payments Agreement referred to in paragraph 1 above shall remain open for a period of six months in order to liquidate current transactions covered by the aforesaid Payments Agreement. Any balance outstanding in the account shall be liquidated by the debtor Party by the export of goods whose importation is authorized by the other Party. If any balance remains on the expiry of the said period of six months, it shall be liquidated forthwith in a transferable currency agreed upon by the two Parties.

Article 8

1. Each Contracting Party shall exempt from transit duties and charges goods in transit through its territory from or to the territory of the other Party.

2. The provisions of the foregoing paragraph shall not apply to charges which have been or may hereafter be fixed for the movement of petroleum overland by pipeline.

Article 9

1. The competent authorities in the territories of the Contracting Parties shall facilitate in every possible way the use of the ports of the Syrian Arab Republic in transit trade, whether through the use of warehouses in the free zones or through the installation of special facilities for the Republic of Iraq and its nationals in those zones.

2. Goods transport vehicles belonging to one Contracting Party shall be afforded the necessary facilities to enter and cross the territory of the other