

No. 7177

**SYRIAN ARAB REPUBLIC
and
SAUDI ARABIA**

Agreement on economic co-operation (with schedules and exchange of letters). Signed at Riyadh, on 16 November 1961

Official text: Arabic.

Registered by the Syrian Arab Republic on 24 March 1964.

**RÉPUBLIQUE ARABE SYRIENNE
et
ARABIE SAOUDITE**

Accord de coopération économique (avec listes et échange de lettres). Signé à Riad, le 16 novembre 1961

Texte officiel arabe.

Enregistré par la République arabe syrienne le 24 mars 1964.

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[TRANSLATION — TRADUCTION]

No. 7177. AGREEMENT ON ECONOMIC CO-OPERATION¹
BETWEEN THE GOVERNMENT OF THE SYRIAN ARAB
REPUBLIC AND THE GOVERNMENT OF THE KING-
DOM OF SAUDI ARABIA. DONE AT RIYADH, ON
16 NOVEMBER 1961

The Government of the Syrian Arab Republic and the Government of the Kingdom of Saudi Arabia,

Desiring to strengthen the national and natural ties between their two countries and reaffirming their resolve to bring about closer economic co-operation between them,

Have agreed as follows :

Article 1

Each of the Contracting Parties will do everything in its power to achieve the highest degree of economic co-operation and development in economic relations between the two countries, in accordance with the provisions of this Agreement and the regulations in force in the two countries.

Article 2

1. The Government of the Kingdom of Saudi Arabia shall authorize the importation directly into the Kingdom of Saudi Arabia 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 within the limits of its economic possibilities.

2. The Government of the Syrian Arab Republic shall authorize the importation directly into the Republic of agricultural, animal and manufactured products and natural resources originating in the Kingdom of Saudi Arabia, and the Government of the Kingdom of Saudi Arabia shall authorize the exportation of such products within the limits of its economic possibilities.

Article 3

1. Agricultural and animal products originating in the territory of one Contracting Party and imported directly into the territory of the other Party shall be exempt from Customs duties and from import and export licence requirements.

¹ Came into force on 10 November 1962, the date of the exchange of the instruments of ratification, in accordance with article 13.

2. The Government of the Kingdom of Saudi Arabia shall exempt from Customs duty and from the import licence requirement the manufactured products, listed in schedule 1¹ to this Agreement, which originate in the Syrian Arab Republic and are imported directly into the Kingdom of Saudi Arabia.

3. The Government of the Kingdom of Saudi Arabia shall exempt from the import licence requirement the manufactured products listed in schedule 2¹ to this Agreement which originate in the Syrian Arab Republic and are imported directly into the Kingdom of Saudi Arabia, and shall remit two-thirds of the Customs duty payable thereon.

4. The Government of the Syrian Arab Republic shall exempt from Customs duty and from the import licence requirement all manufactured products originating in the Kingdom of Saudi Arabia and imported directly into the Syrian Arab Republic.

5. With the consent of the Governments of the two Contracting Parties, items may be added to or removed from schedules 1 and 2 annexed hereto.

Article 4

Every commodity entitled to exemption from duty or to preferential treatment under this Agreement shall be accompanied by a certificate of origin duly authenticated by the competent Governmental authorities of each country. Manufactured products shall not be deemed to be of Syrian or Saudi origin unless the Syrian or Saudi 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.

Article 5

Each Contracting Party shall accord the other most-favoured-nation treatment, in particular in matters concerning importation, exportation, transit, Customs duties and import and exchange control.

Article 6

Each Contracting Party shall exempt from transit duties and charges and from any other duties connected with transit goods, means of transport and their drivers passing through its territory and coming from or destined for the territory of the other Party.

¹ See p. 194 of this volume.

Article 7

The most-favoured-nation treatment referred to in this Agreement shall not apply :

- (1) To privileges which have been or may hereafter be granted by either Contracting Party with a view to facilitating frontier traffic;
- (2) To benefits resulting from any Customs union which may be concluded by either Contracting Party.

Article 8

1. The settlement of all current transactions between the Governments of the two Contracting Parties and between individuals and bodies corporate domiciled in the Syrian Arab Republic and the Kingdom of Saudi Arabia shall be effected in United States dollars, pounds sterling or any transferable currency agreed upon by the Contracting Parties.

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 provisions of this Agreement.

Article 9

In order to ensure the proper implementation of this Agreement and the application and extension of the mutual benefits for which it provides, the Contracting Parties agree to establish a Joint Syrian-Saudi Expert Commission which shall meet not less than once every six months or at the request of either Contracting Party and shall have the following functions :

- (1) To overcome any difficulties that may arise in connexion with the application of this Agreement and may hamper the development of trade between the two countries;
- (2) To make proposals for the modification of this Agreement with a view to increasing trade and developing economic relations between the two countries;
- (3) To study industrial co-ordination with a view to achieving economic co-operation between the two countries.

Article 10

Each Contracting Party shall afford the other the necessary facilities for the installation of exhibitions to display its products to the extent permitted by the laws and regulations in force.

Article 11

The Contracting Parties have agreed :

- (1) To grant freedom to transfer capital between the two countries, including income from property belonging to nationals of either State in the territory of the other, in accordance with the provisions of article 8 of this Agreement. The detailed arrangements in this matter shall be drawn up by agreement between the Syrian Central Bank and the Saudi Arabian Monetary Institute.
- (2) To facilitate the movement of persons between the two countries in accordance with the relevant regulations and instructions in force in each country.
- (3) To grant to the nationals of the other Party the necessary facilities to engage in economic activity in accordance with arrangements which shall be agreed upon between the Governments of the two Contracting Parties and which shall not conflict with the regulations and laws in force in the territory of each Party.

Article 12

The two Governments shall encourage the establishment of joint operating enterprises which shall pursue their activities in all economic fields of interest to both countries and in whose capitalization both countries shall share in accordance with the regulations and laws in force in each.

Article 13

This Agreement shall enter into force on the date of the exchange of the instruments of ratification, which shall take place within one month following the date of signature of the Agreement. It shall cease to have effect one year after the date of its entry into force and may be renewed for further periods of one year if the Contracting Parties so agree.

This Agreement shall from the date of its entry into force supersede the Trade Agreement concluded on 30 January 1961 between the Government of the United Arab Republic (Northern Province) and the Government of the Kingdom of Saudi Arabia.

DONE at Riyadh on 8/6/1381, corresponding to 16 November 1961, in two original copies, each in the Arabic language.

For the Government
of the Syrian Arab Republic :

(Signed) Awad BARAKAT

For the Government
of the Kingdom of Saudi Arabia :

(Signed) Nawaf BEN ABDEL AZIZ