



**AGREEMENT
BETWEEN
BOSNIA AND HERZEGOVINA
AND
THE PEOPLE'S REPUBLIC OF CHINA
ON TRADE AND ECONOMIC COOPERATION**

Bosnia and Herzegovina and The People's Republic of China (hereinafter referred to as "the Contracting Parties"), desiring to strengthen the friendship and cooperation and to develop trade and economic relations on the basis of equality and mutual benefit between the two countries, have agreed as follows:

Article 1

The Contracting Parties shall take all necessary measures to promote the sustained and steady development of trade and economic relations between the two countries, and create favourable condition to this end.

Article 2

The Contracting Parties shall accord each other the most

favoured nation treatment with regard to the definition and imposition of customs duties and other charges, as well as to the regulations of customs administration and customs clearance.

This provision shall not apply to:

- 1) the advantages accorded or to be accorded by either Contracting Party to neighbouring countries in order to facilitate frontier trade;
- 2) the advantages accorded or to be accorded by either Contracting Party to the member countries of a customs union or a free trade area.

Article 3

The Contracting Parties shall, in accordance with the provisions of this Agreement and within the framework of their respective laws and regulations in force, encourage and protect the investment by the investors of one Contracting Party in the territory of the other Contracting Party.

Article 4

The Contracting Party shall, within the framework of their respective laws and regulations in force, encourage the enterprises and organizations of both countries to conduct economic cooperation in diversified forms, including high-level forms, in each other's territory and in third countries, and create favourable conditions to this end.

Article 5

The enterprises and organizations of both countries, which undertake foreign trade and economic activities, shall follow the existing laws and regulations of their respective countries and international trade practice with regard to the conclusion and performance of contracts.

Article 6

The prices of commodities and services shall be decided on the basis of the current international prices of the corresponding commodities and services. Payments for commodities shall be made in a freely convertible currency or other forms accepted by the parties in each contract and in accordance with the existing laws and regulations in force of their respective countries.

In order to facilitate and promote the exchange of commodities and services, the Contracting Parties will encourage and assist the making of agreements between authorized banks in accordance with common international banking practice.

Article 7

The Contracting Parties shall facilitate each other in the organizations of trade fairs, exhibitions, economic and technical symposiums and the exchange of trade delegations and groups in their own territories.

The Contracting Parties agree that, in accordance with the laws and regulations of their respective countries, certain exhibiting materials during the exhibitions including publicity materials can be exempt from import duties and other taxation.

Article 8

The Contracting Parties shall, in accordance with the laws and regulations of their respective countries, permit the enterprises and organizations of the other Contracting Party, which undertake trade and economic activities between the two countries, to establish permanent representative offices in their own country.

Article 9

The Contracting Parties agree, in accordance with their respective capabilities and the regulations of their existing laws, to support the consultant business and the training of personnel of the economic circle and the non-economic circle, especially in the fields of foreign trade, economic management, industry, finance and banking.

Article 10

1. The Contracting Parties agree to set up a Joint Commission on Trade and Economic Cooperation (hereinafter referred to as "the Joint Commission") composed of representative from the Contracting Parties. The Joint Commission shall be co-

chaired by officials at the director-general level from the competent departments of both countries in charge of foreign trade and economic cooperation matters.

2. The duties of the Joint Commission mainly are to enhance mutual understanding, to examine the implementation of this Agreement, to solve the problems which may arise from trade and economic activities between the two countries, to put forward proposals aiming to promote the development of bilateral trade relations, and to submit them to their respective organs in charge.

3. As agreed by the two Contracting Parties, the Joint Commission shall hold meetings in Beijing and Sarajevo alternatively according to need.

Article 11

If any discrepancy of the interpretation and implementation of this Agreement occurs between the Contracting Parties, the Contracting Parties will consult to solve the issues of discrepancy.

Article 12

This Agreement enters into force thirty days after the date on which both Contracting Parties have notified each other in writing through diplomatic channels after fulfilling their

respective internal legal procedures, and shall remain in force for five years. This agreement shall be automatically renewed from year to year provided that neither Contracting Party notifies the other Party in writing of its denunciation of the Agreement six months before the date of expiry. In case of the termination of this Agreement, its provisions shall be effective for all contracts concluded during the valid period of this Agreement until these contracts have been completely fulfilled.

Article 13

This Agreement is done in duplicate at Beijing on 16 May 2000 in Bosnian, Croatian, Serbian, Chinese and English languages, all the texts being equally authentic.

In case of any discrepancy of interpretation of this Agreement, the English text shall prevail.

For
Bosnia and Herzegovina

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For
The People's Republic of China

[Signature]