

**No. 25903**

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**BRAZIL  
and  
COLOMBIA**

**Memorandum of Understanding concerning exchange and  
cooperation in the field of coal. Signed at Bogotá on  
9 February 1988**

*Authentic texts: Portuguese and Spanish.*

*Registered by Brazil on 29 April 1988.*

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**BRÉSIL  
et  
COLOMBIE**

**Mémorandum d'accord en matière d'échanges et de coopé-  
ration dans le domaine du charbon. Signé à Bogotá le  
9 février 1988**

*Textes authentiques : portugais et espagnol.*

*Enregistré par le Brésil le 29 avril 1988.*

## [TRANSLATION — TRADUCTION]

MEMORANDUM OF UNDERSTANDING<sup>1</sup> CONCERNING EXCHANGE AND COOPERATION IN THE FIELD OF COAL BETWEEN THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL AND THE GOVERNMENT OF THE REPUBLIC OF COLOMBIA

The Government of the Federative Republic of Brazil and

The Government of the Republic of Colombia,

Desiring to strengthen cooperation between the two countries in the field of coal,

Convinced that such cooperation will provide valuable support for the exploration of new forms of exchange conducive to more balanced trade and more dynamic economic and commercial relations between the two countries,

Have decided as follows:

*Article I*

The Companhia Auxiliar de Empresas Elétricas Brasileiras — CAEEB — shall purchase from Carbones de Colombia S.A. — CARBOCOL — in the course of 1988, some 300,000 tons of fuel coal on market terms.

*Article II*

The two countries shall set up a commission to study the possibilities of supplying Colombian fuel coal to Brazil, for blending with Brazilian fuel coal for use in industry in order to cover possible shortfalls in Brazilian domestic production.

*Article III*

The commission referred to in the preceding article shall also contribute to studies to be carried out in Brazil for the expansion of the electric power system, involving the installation of thermoelectric power plants in northern areas of Brazil using Colombian coal or blends of Brazilian and Colombian coal.

*Article IV*

The commission referred to in article II shall also carry out studies into the possibilities of opening up new markets in third countries, in the medium and long term, for Brazilian and Colombian fuel coal, bearing in mind each country's trade policies.

*Article V*

The work of the commission referred to in article II shall take into account the development of cooperation between the two countries in the petroleum sector, as a means of enhancing mutual cooperation in the energy sector as a whole.

<sup>1</sup> Came into force on 9 February 1988 by signature, in accordance with article X.

*Article VI*

The two countries shall encourage the use of Colombian semi-coking fuel coal in Brazilian iron and steel industrial plants.

*Article VII*

The two countries shall set up a working group to work out the terms of reference of a pre-feasibility study for the production of coking coal in Colombia. This study shall include, *inter alia*, aspects relating to transport, logistics, economically recoverable reserves, quality standards, financing and investment.

*Article VIII*

The working group referred to in the foregoing article shall also seek to identify sources of financing for carrying out pre-feasibility studies, based on the terms of reference worked out by that group, for the subsequent execution of the project.

*Article IX*

In the light of Brazil's interest in diversifying its suppliers of metallurgical coke and in developing cooperation with Colombia in the iron and steel sector, the company Siderurgia Brasileira S.A. — SIDERBRAS — shall endeavour to purchase the largest amount possible of Colombian metallurgical coke that meets the specifications and quality standards required and that can be produced as a result of the efforts of the group referred to in article VII, on competitive market terms.

*Article X*

This Memorandum of Understanding shall enter into force on the date of its signature.

DONE at Bogotá, on 9 February 1988, in two original copies in the Portuguese and Spanish languages, both texts being equally authentic.

For the Government  
of the Federative Republic  
of Brazil:

[Signed]

AURELIANO CHAVES DE MENDONÇA

For the Government  
of the Republic of Colombia:

[Signed]

GUILLERMO PERRY RUBIO