

No. 31235

**AUSTRIA
and
ROMANIA**

**Agreement on bilateral foreign economic relations. Signed at
Vienna on 10 December 1991**

Authentic texts: German and Romanian.

Registered by Austria on 27 September 1994.

**AUTRICHE
et
ROUMANIE**

**Accord sur les relations économiques bilatérales. Signé à
Vienne le 10 décembre 1991**

Textes authentiques : allemand et roumain.

Enregistré par l'Autriche le 27 septembre 1994.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE FEDERAL GOVERNMENT OF AUSTRIA AND THE GOVERNMENT OF ROMANIA ON BILATERAL FOREIGN ECONOMIC RELATIONS

The Federal Government of Austria and the Government of Romania, hereinafter referred to as the “Contracting Parties”,

Desiring to consolidate existing bilateral foreign economic relations and to promote commercial exchanges and economic, industrial, technical, and technological-scientific cooperation on the basis of equality and mutual benefit,

Convinced that a new agreement on bilateral foreign economic relations will create favourable preconditions and a proper basis for the continued development of bilateral economic relations,

In accordance with the legislative provisions in force in both States,

Taking into account the obligations contained in the final document of the Bonn Conference on Economic Cooperation in Europe,²

On the basis of market-economy principles,

Have agreed as follows:

Article 1

The Contracting Parties shall undertake, within the scope of their existing legislative provisions, to facilitate and promote bilateral foreign economic relations between enterprises, organizations, companies and institutions in the two States, hereinafter referred to as “enterprises”.

Article 2

(1) In the field of bilateral goods traffic, the Contracting Parties shall comply with the provisions of the General Agreement on Tariffs and Trade (GATT) and shall therefore grant each other most-favoured-nation status under article 1 of the General Agreement on Tariffs and Trade (GATT).³

(2) Pursuant to the provisions of paragraph 1, the Contracting Parties agree that most-favoured-nation status shall specifically not apply to any favour, advantage, or immunity which one of the Contracting Parties grants or will grant:

(a) To neighbouring States to facilitate frontier traffic;

(b) To States which along with it belong to a customs union or a free or preferential trade area that already exists or will be established in the future;

(c) To third States in pursuance of multilateral conventions to which the other Contracting Party is not a party;

¹ Came into force on 1 December 1993, i.e., the first day of the third month following the month in which the Contracting Parties had notified each other (on 3 April 1992 and 29 September 1993) of the completion of the internal requirements, in accordance with article 14 (1).

² *International Legal Materials*, vol. XXIX, No. 4 (1990), p. 1054 (American Society of International Law).

³ United Nations, *Treaty Series*, vol. 55, p. 187.

(d) For import goods granted to one of the Contracting Parties by a third state or an international institution or organization as part of an aid programme.

Article 3

(1) Insofar as they are able and in accordance with the legislative provisions in force in the two States, the Contracting Parties shall take various measures to support and promote cooperation in the economic, industrial, technical and technological-scientific fields, for example:

- Agriculture and forestry,
- Animal husbandry and plant cultivation,
- Industry and business,
- Energy,
- Mining,
- Construction,
- Environmental protection and technology,
- Transport and telecommunications,
- Tourism,
- Banking, insurance and credit,
- Applied research,
- Personnel training

(2) The Contracting Parties agree that particular opportunities for cooperation exist in the following fields:

- Locating, exploiting, processing and utilizing raw materials;
- Making better use of existing production capacities;
- Broadening the production programme and establishing new production facilities;
- Introducing and applying new production technologies;
- Planning, constructing and operating new industrial and transport facilities while simultaneously upgrading and modernizing existing facilities according to the highest available standards for environmental technology;
- Establishing joint enterprises and investing directly in the production, commercial and service sectors;
- Establishing subsidiaries, trade missions and other forms of cooperation agreed upon by enterprises in the two States;
- Promoting technology transfer and the exchange of know-how;
- Exchanging statistical and technical information, documentation, publications, licenses, patents and so forth;
- Jointly undertaking projects in third States.

(3) Within the scope of the existing legislative provisions in the two States, the Contracting Parties shall, in particular, promote an exchange of experience and information, including ideas on restructuring and upgrading, technological strategies,

mechanisms and opportunities for establishing a market economy, and cooperation in personnel and management training.

Article 4

Payments between the Republic of Austria and Romania shall be made in freely convertible currency in accordance with the currency regulations in force at the time in the two States.

Article 5

Trade between enterprises from the two States shall be conducted in accordance with the market prices.

Article 6

(1) Bearing in mind the importance of both financing and granting credits to develop bilateral economic relations, the Contracting Parties shall endeavour to make finance and credits available on favourable terms within the scope of the legislative provisions in force in the two States.

(2) The Contracting Parties declare their willingness to promote economic development programmes in the partner State and contribute to the implementation and expansion of such activities.

Article 7

(1) In trade between the two States, the Contracting Parties shall initiate consultations whenever a product is imported in such a quantity, at such a price or on such terms that would cause or be likely to cause serious damage to a domestic producer of a similar or directly competing product.

(2) When, as a result of such consultations, the Contracting Parties agree that a situation of the kind referred to in paragraph 1 exists, exports shall be restricted or other measures shall be adopted to avert or eliminate the damage.

(3) If the Contracting Parties are unable to reach agreement, the Contracting Party which requested the consultations shall be free to restrict the import of the product concerned to the extent and for the duration necessary to avert or eliminate the damage. The other Contracting Party shall then be free to derogate from its obligations to the first Contracting Party for a substantially equivalent volume of trade.

(4) In cases where a deferment would cause serious damage, temporary measures may be taken without preliminary consultations; consultations must be initiated immediately.

(5) In choosing measures pursuant to the provisions of this article, the Contracting Parties shall give preference to measures that least impair the continued functioning of this Agreement.

Article 8

The Contracting Parties agree that:

— Increasing the exchange of information and contacts between enterprises from the two countries,

- Creating a favourable investment climate for the establishment of joint enterprises and the encouragement of direct investment,
 - Cooperating in the service sector,
 - Cooperating in the combined transport and railway sector,
 - Taking advantage of the Danube-Black Sea Canal and port facilities and making optimum use of customs-free zones in Romania, and
 - Organizing and holding fairs, exhibitions, seminars and symposia and exchanging economic missions and experts
- are the proper means to continue developing bilateral economic relations.

Article 9

The Contracting Parties acknowledge the usefulness and necessity of increased participation by small and medium-sized enterprises in bilateral economic relations.

Article 10

(1) The Contracting Parties recommend that any differences should initially be settled amicably and by mutual agreement.

(2) Within the scope of the legislative provisions in force:

(a) The Contracting Parties shall encourage the settlement of disputes between enterprises from the two States regarding commercial and cooperation activities and in connection with the establishment of joint enterprises and direct investments through arbitration bodies;

(b) The Contracting Parties agree that, whenever a dispute is submitted to an arbitration body, each party to the dispute shall be free to choose its own arbitrator regardless of the latter's nationality. The parties to the dispute may decide to appoint arbitrators on an individual basis if a disagreement arises, in which case the presiding third arbitrator or the sole arbitrator, who must be appointed by joint agreement, may also be a national of a third State;

(c) The Contracting Parties shall promote the application of the arbitration rules elaborated by the United Nations Commission on International Trade Law (UNCITRAL)¹ and shall have recourse to arbitration bodies in any signatory State of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, signed in New York on 10 June 1958.²

Article 11

Amendments to this Agreement or its expiry shall in no way affect the execution of contracts signed previously by enterprises from the two States.

Article 12

(1) This Agreement shall entail the establishment of a "Joint Austrian-Romanian Commission for Bilateral Economic Relations", which shall meet alternately in Austria and Romania at the request of either Contracting Party.

(2) The special tasks of the joint Commission shall include, *inter alia*:

¹United Nations, *Official Records of the General Assembly, Thirty-first Session, Supplement No. 17 (A/31/17)*, p. 34.

²*Ibid.*, *Treaty Series*, vol. 330, p. 3.

- Examining the development of bilateral economic relations,
- Identifying and utilizing new opportunities and encouraging future economic cooperation,
- Monitoring the achievement of the objectives of this Agreement and making recommendations for broadening its scope,
- Elaborating proposals for improving conditions for economic, industrial, technical and technological-scientific cooperation between enterprises from the two States.

Article 13

If one or both of the Contracting Parties join the European Economic Area (EEA) and/or the European Economic Community (EEC), the provisions of this Agreement which contradict legislative provisions in force for the Contracting Party/Contracting Parties as a participant in the EEA or a member of the EEC or which are to be regulated differently shall be automatically derogated from.

Article 14

(1) This Agreement shall enter into force on the first day of the third month following the month in which the Contracting Parties have informed each other that their internal State requirements for bringing this Agreement into force have been completed.

(2) This Agreement is concluded for one year and shall be extended each time for another year unless denounced in writing through the diplomatic channel by either Contracting Party three months before its expiry.

(3) Upon the entry into force of this Agreement, the following Agreements shall cease to have effect

- The Long-Term Agreement on economic collaboration and technical-industrial cooperation of 14 July 1975¹ and
- The Long-Term Agreement on trade in goods of 20 May 1976.²

DONE at Vienna, on 10 December 1991, in duplicate, in the German and Romanian languages, both texts being equally authentic.

For the Federal Government
of Austria:

Dr JOSEF TSCHACH

For the Government
of Romania:

Dr NAPOLEON POP

¹United Nations, *Treaty Series*, vol. 1917, No. I-32721.

²*Ibid.*, No. I-32722.