

Signed at Seoul November 14, 1995  
Entered into force November 14, 1995

**AGREEMENT BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF KOREA AND  
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA  
CONCERNING LOANS FROM THE ECONOMIC DEVELOPMENT COOPERATION FUND**

The Government of the Republic of Korea and the Government of the People 's Republic of China(hereinafter referred to as "the Contracting Parties"),

Desiring to support economic development of the People 's Republic of China and promote economic cooperation between the two countries,

Have agreed as follows:

**Article 1**

The Government of the Republic of Korea shall, in accordance with its laws and regulations, extend to the Government of the People 's Republic of China or its designated agency (hereinafter referred to as "the Borrower") loans from the Economic Development Cooperation Fund (hereinafter referred to as "the EDCF") for the implementation of projects to be agreed upon (hereinafter referred to as "the Project") between the Contracting Parties.

**Article 2**

The Contracting Parties shall conclude separate arrangements (hereinafter referred to as "the Arrangement") for the implementation of loans, which will govern the amount, terms and conditions of loans from the EDCF (hereinafter referred to as "the Loan").

**Article 3**

- (1) The Loan will be made available by the loan agreement (hereinafter referred to as "the Loan Agreement") to be concluded between the Borrower and the Export-Import Bank of Korea (hereinafter referred to as "the Bank"), the Government Agency for the EDCF.
- (2) In case the Borrower is not the Government of the People 's Republic of China, the Government of the People 's Republic of China shall guarantee the due and punctual payment of the principal of the Loan and accrued interest thereon as well as all other amounts due and payable by the Borrower under the Loan.

**Article 4**

The proceeds of the Loan will be used to cover payments to be made by the Project executing agencies of the People ' s Republic of China to suppliers, contractors and/or consultants of eligible source countries under such contracts as may be entered into between them for procurement of goods and services required for the implementation of the Project.

The scope of the eligible source countries mentioned herein will be specified in the Arrangement.

#### **Article 5**

With regard to the shipping and marine insurance of goods procured under the Loan, the Government of the People ' s Republic of China shall refrain from imposing any restrictions that may hinder fair and free competition between the shipping and marine insurance companies of the two countries.

#### **Article 6**

The Government of the People ' s Republic of China shall endeavor to take necessary measures to facilitate the activities of the Korean nationals involved with the Project, and assist them in obtaining such services and conveniences as may be required to carry out their mission in the People ' s Republic of China.

#### **Article 7**

The Government of the People ' s Republic of China shall exempt the Bank from any fiscal levy or tax imposed on, and/or in connection with the Loan and interest accruing therefrom.

#### **Article 8**

The Government of the People ' s Republic of China shall take necessary measures to ensure that the facilities constructed with the Loan be maintained and used for the best of the purposes prescribed in this Agreement.

#### **Article 9**

The Contracting Parties shall, at the request of either party, consult with each other on any matters concerning the implementation of this Agreement and, in accordance with their respective laws and regulations, take all necessary measures to ensure the most proper and effective utilization of the Loan.

#### **Article 10**

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- (1) This Agreement shall enter into force from the date of signing.
  - (2) This Agreement shall remain in force for a period of ten(10) years and shall remain effective thereafter indefinitely, unless either Contracting Party notifies in writing, six(6) months in advance, of its intention to terminate it.
  - (3) The modification or termination of this Agreement shall not affect the validity of Arrangements and Loan Agreements concluded under this Agreement during the period of their respective validities.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

Done in duplicate at Seoul this 14th day of November 1995, in the English language.

FOR THE GOVERNMENT OF  
THE REPUBLIC OF KOREA  
/Sgd./  
Gong Ro-myung

FOR THE GOVERNMENT OF  
THE PEOPLE ' S REPUBLIC  
OF CHINA  
/Sgd./  
Wu Yi