

Effectuated by Exchange of Notes  
at Seoul February 18, 1971.  
Entered into force February 18, 1971

**Agreement between  
the Government of the Republic of Korea and  
the Government of Japan  
concerning Loan for Agriculture and Fisheries Development Project**

**The Ambassador of Japan to the Deputy Prime Minister  
and Minister of Economic Planning Board**

Seoul, February 18, 1971

Excellency,

I have the honour to refer to paragraph 19 of the Joint Communiqué dated July 23, 1970 issued at the Fourth Japan-Korean Regular Ministerial Meeting and to confirm on behalf of my Government the following understanding recently reached between the representatives of the Government of Japan and the Government of the Republic of Korea concerning a Japanese loan to be extended to the Republic of Korea with a view to meeting Korea's need for modernization of agriculture and fisheries.

1. A loan in Japanese Yen (hereinafter referred to as "the Loan") up to the amount of seven billion two hundred million yen (¥7,200,000,000) will be extended to the Government of the Republic of Korea by the Export-Import Bank of Japan (hereinafter referred to as "the Bank") in accordance with the relevant laws and regulations of Japan.
2. The Loan will be made available by loan agreement to be concluded between the Government of the Republic of Korea and the Bank. The terms and conditions of the Loan as well as procedures for its utilization will be governed by the said agreements, which will contain, inter alia, the following principles :
  - (a) The repayment period will be ten (10) years after three (3) years grace.
  - (b) The rate of interest will be six and a quarter (6.25) percent per annum.
  - © The disbursement period will be two (2) years from February 18, 1971.
3. The Loan will be made available to cover payments to be made to Japanese suppliers by Korean importers, under such contracts as may be entered into Japanese yen between them for the purchase of products of Japan and services of Japanese nationals which may be incidental thereto, within the Utilization Programme attached hereto.
4. With regard to the shipping and marine insurance of goods purchased under the Loan, the Government of the Republic of Korea shall refrain from imposing any restrictions that may hinder a fair and free competition of the shipping and marine insurance companies of the two countries.
5. The Government of the Republic of Korea shall exempt the Bank from any Korean

fiscal levy or tax on and or in connection with the Loan and interest accruing therefrom.

6. The two Governments will consult with each other with respect to any matter which may arise from or in connection with the foregoing understanding.

I should be grateful if Your Excellency would confirm the foregoing understanding on behalf of the Government of the Republic of Korea.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration

Augustin M. Kanayama  
Ambassador

His Excellency  
Kim, Hak-Yul  
Deputy Prime Minister and  
Minister of Economic Planning Board  
Seoul

#### **Utilization Programme**

(1) Purchase of materials to procure the domestic fund required for the execution of agriculture and fisheries development projects:

Five billion four hundred million yen  
(¥ 5,400,000,000)

(2) Purchase of agricultural and fisheries machinery and equipment:

One billion eight hundred million yen  
(¥ 1,800,000,000)

**The Deputy Prime Minister and Minister of Economic Planning Board  
to the Ambassador of Japan**

Seoul, 18 February, 1971.

Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of today's date, which reads as follows.

“..... Japanese Note .....”

I have further the honour to confirm the foregoing understanding on behalf of the Government of the Republic of Korea.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration

Kim, Hak-Yul  
Deputy Prime Minister and Minister of Economic Planning Board  
His Excellency

Augustin M. Kanayama  
Ambassador of Japan