

**AGREEMENT ON TRADE AND ECONOMIC COOPERATION BETWEEN
THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF AFGHANISTAN
AND
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA**

The Government of the Islamic Republic of Afghanistan and the Government of the People's Republic of China, hereinafter referred to as "the Parties", desiring to expand and strengthen economic and trade relations between the two countries on the basis of equality and mutual benefit, have agreed as follows:

ARTICLE I

The Parties shall promote the expansion of economic and trade relations between the two countries within the scope of this Agreement and of laws and regulations effective in their respective countries.

ARTICLE II

The Parties shall grant each other most-favored-nation treatment with respect to customs duties and other taxes and duties applicable to trade exchange between the two countries.

In addition, given the current difficult economic conditions prevailing in Afghanistan, China agrees to provide other facilities for goods exported to China from Afghanistan agreed by both parties.

ARTICLE III

The provisions of Article II shall not apply to:

(I) Preferences and advantages which either of the Parties has granted or may grant neighboring countries in order to facilitate their frontier trade; and

(II) Preferences and advantages which result from any customs unions, free trade areas or regional economic groupings to which either of the Parties is or may become a Party.

ARTICLE IV

The Parties shall, subject to their respective import, export, foreign exchange and other laws, rules and regulations, provide the maximum facilities possible for the purpose of increasing trade between the two countries.

ARTICLE V

All payments between the two countries shall be made in freely convertible currencies, subject to foreign exchange or other relevant regulations effective in their respective countries. The particulars about payment and settlement of accounts should be consulted by banks between the two countries.

ARTICLE VI

(I) Each Party shall facilitate the participation by the other Party or its nationals in trade fairs to be held in its territory.

(II) Each Party shall facilitate the participation by the other Party or its nationals in the staging of exhibitions subject to such terms and conditions as may be imposed by the competent authorities of the country where the trade fair or exhibition is to be held.

(III) Exemption from customs duties and other similar charges of articles and samples intended for fairs and exhibitions, as well as their entry and exit, sale and disposition shall be subject to the laws of the country where the fair or exhibition is held.

ARTICLE VII

Samples of goods that originate from the territory of either of the parties shall be exempted from customs duties on entry into the territory of the other Party:

(I) Samples of goods are of no commercial value and are used as samples for obtaining orders and not intended for sale;

(II) Unless the parties otherwise agree, equipments imported for maintenance, reconstruction and construction shall be sent back on the completion of the project.

ARTICLE VIII

(I) The Parties shall encourage and support their enterprises or nationals to make investment in the other Party and carry out economic and technical cooperation of various modalities:

(II) The Parties shall, subject to their respective import, export, foreign exchange and other laws, rules and regulations, provide support and facilities for investment and economic and technical cooperation of the other Party's enterprises or nationals in its territory.

(III) The investment and economic and technical cooperation stipulated in this article should be carried out in accordance with laws, rules and regulations of the Parties.

ARTICLE IX

The Chinese side shall continue to provide Afghanistan with economic and technical assistance within its capability, with a view to helping Afghanistan to develop its national economy and raise the living standard of its people.

ARTICLE X

For the purpose of achieving the objectives of this Agreement, a Joint Economic and Trade Committee (JETC) shall be established. The chairmanship of the Joint Economic and Trade Committee shall be held on the part of the Afghanistan Side by the Ministerial Leader of the Ministry of Commerce and on the part of the Chinese Side by the Ministerial Leader of the Ministry of Commerce.

The Joint Economic and Trade Committee shall meet alternatively in the Islamic Republic of Afghanistan and the People's Republic of China when Parties consider the necessity.

ARTICLE XI

The provisions of this Agreement shall not in any way limit the rights of either Party to apply prohibition or restriction of any kind which are directed to the protection of its security interests, or to the protection of public health or the prevention of diseases and pests in animals or plants.

ARTICLE XII

The provisions of this Agreement shall continue to be applied after its expiry, to all commercial transactions concluded but not fully performed before the termination of this Agreement.

ARTICLE XIII

This Agreement shall enter into force on the date of its signing for a period of five years. It shall remain in force automatically for subsequent periods of five year each, if neither of the Parties gives a written notice of termination at least six months prior to the expiry of this Agreement.

At the request of either Party, the provision of this Agreement may be modified by mutual consent.

Done at Beijing on 19th June, 2006 in two original copies, each in the Chinese, English and Dari languages, all texts being equally authentic. If there is any divergence concerning the interpretation, the English text shall prevail.

FOR AND ON BEHALF OF THE
GOVERNMENT OF THE ISLAMIC
REPUBLIC OF AFGHANISTAN

FOR AND ON BEHALF OF THE
GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF CHINA

Handwritten signature in Dari script and a handwritten mark resembling "Jf. a-a" below it.

Handwritten signature in Chinese characters.