

**TRADE AGREEMENT  
BETWEEN  
THE GOVERNMENT OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC  
AND  
THE GOVERNMENT OF MALAYSIA**

The GOVERNMENT OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC and the GOVERNMENT OF MALAYSIA (hereinafter referred to as the "Contracting Parties")

DESIROUS of developing and strengthening trade and economic relations between the two countries on the basis of equality and mutual benefit,

HAVE AGREED AS FOLLOWS

**ARTICLE 1**

The Contracting Parties shall, subject to the laws, regulations and procedures in force in their respective countries, take all appropriate measures to facilitate, strengthen and diversify trade between the two countries facilitate.

**ARTICLE 2**

The Contracting Parties shall encourage and provide necessary assistance to the relevant import-export enterprises and organizations of each country to explore the scope for short and long term arrangements in trade and where appropriate, to conclude such contracts as may be mutually agreed upon

**ARTICLE 3**

Each Contracting Party shall grant the other most-favoured-nation treatment in all matters relating to customs duties and foreign trade formalities in connection with the importation and/or exportation of products.

**ARTICLE 4**

The provisions of this Agreement shall not apply to advantages, concessions and exemptions which either Contracting Party has granted or may grant

- a) to contiguous and neighbouring countries in order to facilitate frontier traffic;
- b) to countries who are members of a Customs Union or a free trade zone that either of the Contracting Parties has joined or may join; and
- c) as a result of participation in a multilateral arrangement aimed at economic integration.

## **ARTICLE 5**

The Contracting Parties shall endeavour to facilitate transit traffic of commercial goods under this Agreement and agree to –

- a) facilitate freedom of transit of goods originating from territories of either of them and destined for the territory of a third party and
- b) facilitate freedom of transit of goods originating from the country of a third party and destined for the country of either of the Contracting Parties

## **ARTICLE 6**

in order to develop further trade between the two countries, the Contracting Parties shall facilitate each other's participation in trade fairs to be held in either country and in arranging exhibitions of either country in the territory of the other, on terms to be agreed between their competent authorities

The exemptions from customs duties and other similar charges on articles and samples intended for trade fairs and exhibitions, as well as their sale and disposition, shall be subject to the law, rules and regulations of the country where such fairs and exhibitions are held

## **ARTICLE 7**

Any dispute that may arise from the interpretation of this Agreement shall be resolved through diplomatic channels.

## **ARTICLE 8**

All payments between the two countries shall be effected in freely usable currencies that may be agreed upon by the Contracting Parties in accordance with the foreign exchange legislation in force in each country.

## **ARTICLE 9**

Subject to the requirement that such measures are not applied in an arbitrary or discriminatory manner, the provisions of this Agreement shall not limit the rights of either Contracting Party to adopt or execute measures-

- a) for reasons of public health, public morals, order or security
- b) for the protection of plants and animals against diseases and pests
- c) to safeguard its external financial position and balance of payments; and (d) to protect national treasures of artistic, historical or archaeological value

## **ARTICLE 10**

The Contracting Parties shall agree to establish a Joint Trade Committee to discuss measures for the expansion of direct trade between the two countries and for the amicable

settlement of issues which may arise from the implementation of this Agreement. The Joint Trade Committee may also make the necessary suggestions for the achievement of the objectives of this Agreement and shall meet alternately in each country, at such time as shall be fixed by mutual agreement

#### **ARTICLE 11**

The Contracting Parties agree upon designating the MINISTRY OF COMMERCE AND TOURISM, on behalf of the Lao People's Democratic Republic Government and the MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, on behalf of the Government of Malaysia, as bodies responsible for the coordination and execution of this Agreement

#### **ARTICLE 12**

At any times this Agreement is in force, either party may propose in writing amendments thereto and to which the other party will reply within three (3) months upon receipt of such proposal. Any alteration or modification of this Agreement shall be done without prejudice to the rights and obligations arising from this Agreement prior to the date of such alteration or modification until such rights and obligations are fully implemented.

#### **ARTICLE 13**

This Agreement shall temporarily come into effect at the date of its signature and definitively after the receipt of the last notice confirming the completion by the two parties of the internal formalities for the approval of international treaties and shall be valid for a period of five (5) years. Thereafter, it shall automatically be extended for similar periods unless within a minimum period of three (3) months prior to the expiration of the current period of validity, either Contracting Party gives to the other a written notice of its intention to terminate the Agreement

#### **ARTICLE 14**

The provisions of this Agreement shall apply, even after its termination, to contracts entered into during the period of the validity of this Agreement but not fully consummated on the day of the termination of this Agreement

Done at Kuala Lumpur on 11 August 1998 in six originals, two in Bahasa Malaysia, two in Lao and two in English, all texts being equally authentic. In the event of discrepancy between any of the texts of this Agreement, the English text shall prevail.

**For the GOVERNMENT  
OF THE LAO PEOPLE'S  
DEMOCRATIC REPUBLIC**

**For the GOVERNMENT  
OF MALAYSIA**