

**Trade Agreement
Between
The Government of the Lao People's Democratic Republic
and The Royal Government of Cambodia**

The Government of Lao People's Democratic Republic and the Royal Government of Cambodia, being desirous of developing trade relation between the two country and strengthening the friendly relationship between the Government and the people of two countries, on the basic of principles of equality and mutual benefit, have greed as follows:

Article 1

The two Government continuously concentrate all cooperation efforts to development and strengthen trade relation between the two countries, Each Government shall study the proposals which other Government submits for consideration and abide by such as decision as may agreed upon by the two Governments for the purpose of achieving closer economic and trade relation between the two countries.

Article 2

Each Government shall permit the exportation of its exportable commodities to the other facilitate the importation of exportable commodities from the other and where and when the export or import licensing is involved, shall facilitate the issue of export and import licenses in conformity with the laws, rules and regulations in force of each country and will abide by international practices.

Article 3

The two Governments shall grant to the other the most favoured - nation treatment in regard to customs duties, charges and customs procedures in connection with the importation and exportation of goods from one country to the other.

This provision, however, shall not apply to the advantages, exemptions or privileges which the two Governments have granted or shall grant to countries participating with either country in a customs union or free trade area or within the framework of a regional association for y cooperation already in existence or which might be established in the future.

Article 4

Each Government shall grant merchant vessels of the other country while entering, anchoring and docking its international ports the most-favoured-nation treatment accorded by the respective laws, rules and regulations to the vessels of any third country.

Article 5

All payments in connection with commodities sold or purchased by the two countries shall be made in freely convertible currencies acceptable to the two Governments in accordance with foreign exchange laws and regulations in force in each country.

Article 6

Both Governments shall consult each other whenever necessary in order to recommend measures for expanding economic and trade relations or to settle matters that might arise in connection with the implementation of the provisions of this Agreement.

Article 7

The provisions of this Agreement shall be applied after its termination in respect of contracts concluded within the framework of this Agreement but not having been fully performed on the date of the termination of the Agreement.

Each Government shall, subject to the laws, rules and regulations in force, exempt from customs duties or any other fiscal charges the following goods originating in the country of the other Party:

- a) Articles to be used temporarily for fairs and exhibitions must be returned to the country of origin within the period stipulated by rules and regulations concerned of each party.
- b) Samples of goods provided that they are used only for samples and not intended for sale.

Article 9

The provisions of this Agreement shall not limit the right of either Government to adopt or take measures for the protection of its essential security interests or for the protection of public health or environmental protection, the prevention of diseases and pests in animals or plants.

Article 10

This Agreement may be revised, amended or terminated by mutual consent in writing by the two Governments. Any revision, amendment or termination of this Agreement shall not be prejudicial to any right or obligation occurring for or incurred under the Agreement prior to the effective date of such revision, amendment or termination.

Article 11

This Agreement shall enter into force on the date of its signature and shall remain in force for one year.

It shall be automatically renewed for a period of one year at a time unless either Government expresses its intention in writing to terminate this Agreement three months before the expiry of its validity.

In witness whereof, the undersigned, being duly authorized by their respective Government, have signed this Agreement.

Done at Vientiane this 25th day of May 1998 in duplicate in the Lao, Khmer and English languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

FOR THE ROYAL GOVERNMENT
OF THE LAO PEOPLES'S DEMOCRATIC REPUBLIC

FOR THE GOVERNMENT
OF CAMBODIA