Trade Agreement between the Kingdom of Sweden and the Republic of Madagascar

The Government of the Kingdom of Sweden and the Government of the Republic of Madagascar,

Desiring to enhance the bonds of friendship between the two countries; desiring to develop their trade,

Whereas export growth and industrialization of developing countries to those countries, essential to their economic development,

Have agreed as follows:

Article 1.

Both Contracting States shall take all possible measures and consistent with international agreements and the laws and regulations in force in both countries to facilitate trade.

Article 2.

Both Contracting States shall grant each other the most favoured nation treatment in the area of customs and as regards any special rights, taxes and any rules and formalities relating to the import, export and transit of goods.

However, the most favoured nation treatment shall not include:

a) The value of each of the contracting States or accorded will accord to adjacent countries in frontier traffic;

b) Advantages accorded to countries that are or will be part of the Contracting States with one of a customs union, a free trade area or similar international agreement;

c) The benefits that one of the Contracting States shall accord within the framework of a regional or sub-regional arrangement with a view to promoting trade between developing countries;

d) The benefits that Sweden accorded or will accord to Denmark, Finland, Iceland or Norway.

Article 3.

In their efforts to expand trade between them, the contracting States, while complying with their export and import, will give special attention to the products listed in the lists A and B. These lists form an integral part of this Agreement.

It is understood that trade between the two States are not limited to goods listed.

Article 4.

The competent authorities of the Contracting States will attract at such times as deemed appropriate, the export and import of importers and exporters to the possibilities for trade.

Article 5.

Both Contracting States will not adopt discriminatory measures likely to be detrimental to maritime activity of the other State.

This provision shall not apply to navigation cabotage, towing and used, as determined by the laws and regulations in force in both countries.

Article 6.

Merchant ships flying the flag of one of the Contracting States and their cargoes shall, in respect of rights and privileges of entry into, sojourn in and departure from the ports of the other State, enjoy most-favoured-nation treatment.

Article 7.

Any question relating to maritime transport and insurance relating to the traffic in trade between the Contracting States shall be settled freely between importers and exporters of the two States as part of the laws in force in the Contracting States.

Article 8.

Investments, property, rights and interests belonging to the nationals a Contracting State, foundations, trusts or societies in the territory of the other Contracting State shall be treated justly and equitably in accordance with international law and the domestic laws of the Contracting States, at least as each State treats its own nationals or, if more favorable, as it treats the nationals, foundations, associations or societies of the most favored nation.

Each Contracting State undertakes to permit its nationals, foundations, associations or societies to transfer the invested capital and its income and, in the event of liquidation, the funds belonging to the other Contracting State. The nationals, foundations, associations or companies of a Contracting State may dispose of their property in the other Contracting State only in the interest of the public welfare.

If one State expropriates or nationalizes property, rights or interests of citizens, foundations, associations or corporations of the other State, or takes any other direct or indirect remedial action in favour of such citizens, foundations, associations or corporations, it shall ensure that effective and adequate compensation is paid in accordance with the provisions of the Convention.

The amount of the compensation, which shall be fixed at the time of the expropriation, nationalisation or liquidation, shall be transferable and shall be paid without undue delay to the ratepayer wherever he resides. However, expropriation, nationalisation or alienation shall not be discriminatory or contrary to a separate obligation.

Article 9.

If any dispute should arise between States regarding the interpretation or the implementation of the provisions of article 8 above and the dispute cannot be settled within a period of six months in a satisfactory manner through diplomatic channels, it shall be submitted upon request by either State to an arbitral tribunal of three members. To this end, the requesting Party shall transmit to the other party a request for the establishment of the arbitral tribunal. Each State shall appoint an arbitrator.

The two arbitrators so nominated arbitrators shall appoint a President who shall be a national of a third State. After the expiration of three months following the notification of the application, in the event that a Party has not appointed its arbitrator, this appointment shall be made by the President of the International Court of Justice at the request of the other party. If both parties cannot reach an agreement within two months after their appointment on the choice of the Chairman, the arbitrator shall be appointed at the request of one of the States by the President of the International Court of Justice. If in the cases specified in paragraphs 2 and 3 of this article, the President of the International Court of Justice is prevented or if he is a national of one of the States, the appointment shall be made by the Vice-President. If the latter is prevented or if he is a national of one of the States, the appointment shall be made by the eldest member of the Court who is not a national of any of the States. The Tribunal shall have jurisdiction for the disputes. In the absence of agreement between the parties themselves, the tribunal shall determine its own procedure. The arbitral tribunal shall reach its decision by majority. The decisions of the Tribunal shall be made in writing. They shall be final and binding. Each Party shall bear the costs of the arbitrator appointed by it. Both Parties shall contribute equally the costs resulting from the work of the presiding arbitrator. Any dispute settled in accordance with the provisions of this Article shall not be subject to appeal before any other international body.

Article 10.

A joint committee is hereby established which will ensure the implementation of this Agreement. It shall meet as necessary either at Stockholm or at Antananarivo.

Article 11.

This Agreement shall enter into force following an exchange of Notes confirming that the constitutional requirements have been met.

It shall be valid for one year and tacitly renewed annually subject to a notice of three months before its expiration.

In the event of termination the provisions laid down in articles VIII and IX above apply even for a period of ten years for investments made prior to the termination of the Agreement.

Done in duplicate in the English language in Antananarivo, on second of April nineteen hundred and sixty-six.

For the Government of the Kingdom of Sweden

Erland Kleen

(L. S.)

For the Government of the Republic of Madagascar:

A. Sylla

(L. S.)