AGREEMENT BETWEEN THE LEBANESE REPUBLIC AND THE GABONESE REPUBLIC CONCERNING THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Lebanon and the Government of the Republic of Gabon hereinafter referred to as "the Contracting Parties

Desiring to strengthen economic cooperation between the two countries and to create favorable conditions for Lebanese investments in Gabon and Gabonese investments in Lebanon

Convinced that the promotion and protection of such investments are likely to stimulate private initiative and the transfer of capital and technology between the two countries, in the interest of both countries countries, in the interest of their economic development,

Have agreed on the following provisions:

Article 1. Definitions

For the purposes of this Agreement:

1. The term "investment" means all assets, such as property, rights and interests of every kind and, more particularly but not exclusively:

a) Movable and immovable property, as well as all other real rights such as mortgages, liens, usufructs, bonds and all similar rights;

b) Shares, share premiums and other forms of participation, even if minority or indirect, in companies incorporated in the territory of one of the contracting parties;

c) Bonds, debts and rights relating to any services of financial and economic value;

(d) intellectual, commercial and industrial property rights, such as copyrights, patents, licenses, trademarks, industrial designs and models, technical processes, know-how, registered names and goodwill

e) public law or contractual concessions, including those relating to the exploration, extraction or exploitation of natural resources.

Changes in the form in which property is reinvested shall not affect its status as an investment, provided that such changes are in accordance with the laws of the Contracting Party in whose territory the investment is made.

the investment is made.

2. The term "investor" means:

- any natural person possessing the nationality of one of the Contracting Parties ;

- any legal entity incorporated in the territory of one of the Contracting Parties, in accordance with the legislation of that Party and having its registered office there, or being directly or indirectly controlled by nationals of one of the Contracting Parties, or by legal entities having their registered office in the territory of one of the Contracting Parties and incorporated in accordance with the legislation of that Party, and which has made an investment in the territory of the other Contracting Party.

3. The term "income" means all sums generated by an investment and, in particular but not exclusively, profits, royalties, interest, capital gains, dividends, management and technical assistance fees or other fees, regardless of the form in which

the payment is made.

4. The term "territory" means the national territory of each of the Contracting Parties, as well as the economic zone and the continental shelf which extend beyond the limits of the territorial waters and over which each of the Contracting Parties exercises, in accordance with international law, its sovereign rights and jurisdiction for the purpose of exploring, exploiting and preserving natural resources.

Article 2. Promotion, Admission and Protection of Investments

1. Each Contracting Party shall, within the framework of its legislation and the provisions of this Agreement, encourage and admit investments made by investors of the other Party in its territory.

2. The Contracting Parties shall, within the framework of their domestic legislation, give sympathetic consideration to applications for entry and authorization to reside, work and travel by high-level executives or technical personnel, in connection with an investment made in the territory of the other Contracting Party, regardless of their nationality.

3. Each of the contracting parties undertakes to ensure, in its territory, fair and equitable treatment, in accordance with the principles of international law, of the investments of the investors of the other contracting party, excluding any unjustified or discriminatory measure which might hinder, in law or in fact, the management, maintenance, use, enjoyment or liquidation of the said investments.

4. Investments made by investors of either Contracting Party shall enjoy full protection and security in the territory of the other Contracting Party.

Article 3. National Treatment and Most-favoured-nation Clause

1. Neither Contracting Party shall, in its territory, subject investors of the other Party, in respect of their investments and activities related to such investments, to treatment less favourable than that accorded to its investors or to the treatment accorded to investors enjoying the most-favoured-nation clause, whichever is more advantageous.

2. Nothing in paragraph 1 shall require either Contracting Party to extend to investments of the other Party the benefit of any treatment, preference or privilege it accords under obligations undertaken in connection with:

(a) its participation in or association with a free trade area, customs union, common market or other form of regional or international economic organization ;

(b) a convention for the avoidance of double taxation or any other convention relating to taxation;

c) with respect to Lebanon, the treatment accorded to its own investors and to investors from Arab countries under Legislative Decree No. 11614 of January 4, 1969, as amended, concerning the acquisition in Lebanon of real property rights by non-Lebanese investors.

Article 4. Expropriation and Compensation

1. The Contracting Parties shall not take any measures of expropriation or nationalization or any other measures the effect of which is to dispossess, directly or indirectly, the investors of the other Party of investments belonging to them in their territory.

2. If the public interest, security or national interest justifies a derogation from paragraph 1, the following conditions shall be met

(a) the measures shall be taken in accordance with a legal procedure; they shall not be discriminatory or contrary to any specific undertaking ;

b) they shall be accompanied by provisions for the payment of adequate and effective compensation.

3. The amount of compensation shall be the market value of the investments concerned, determined in relation to a normal economic situation and prior to any threat of dispossession. Compensation shall be paid in a freely convertible currency.

4. This compensation, its amount and the way it is to be paid shall be fixed at the latest on the date of the dispossession. This compensation is effectively realizable, paid without delay and freely transferable. Until the date of payment, it shall bear interest at the market rate.

5. The investor concerned shall be entitled, under the law of the expropriating Contracting Party, to review by the judicial authority or by some other independent body of that Party of the expropriation and of the valuation of his investment or income in accordance with the principles set out in this Article.

Article 5. Compensation for Losses Resulting from War or Similar Events

Investors of one of the contracting parties whose investments have been damaged by war or any other armed conflict, revolution, state of national emergency or revolt in the territory of the other contracting party, shall be accorded by the latter a treatment in respect of restitution, compensation, indemnification or other relief no less favourable than that accorded to its own investors or to investors enjoying most-favoured-nation treatment.

Article 6. Free Transfer

1. Each Contracting Party in whose territory investments have been made by investors of the other Contracting Party shall grant to such investors the free transfer of

(a) sums intended for the maintenance or development of the investment;

(b) sums for the satisfaction of contractual obligations, including sums required for the repayment of loans, the payment of royalties for licenses, franchises, concessions and other similar rights

(c) income from investments;

(d) proceeds from the liquidation of all or part of investments, including capital gains or increases in invested capital

(e) compensation for loss or dispossession as provided in Articles 4 and 5; and

(f) compensation paid pursuant to Articles 9 and 10.

2. Each contracting party shall allow executives and senior technical personnel who have been authorized to work in the territory of the other contracting party in connection with an approved investment the free transfer of remuneration received in connection therewith.

3. The transfers referred to in the above paragraphs shall be made without delay, in freely convertible currency and at the market rate of exchange applicable on the date of transfer.

Article 7. Subrogation

1. If one of the Contracting Parties or a public body thereof pays compensation to its own investors under a guarantee given for an investment, the other Contracting Party shall recognize that all rights of the investors are transferred to the Contracting Party or public body concerned.

2. With respect to the transferred rights, the other Contracting Party shall be entitled to assert against the insurer subrogated to the rights of the indemnified investors, the obligations which are legally or contractually incumbent upon the latter.

Article 8. Special Agreements

1. Investments which have been the subject of special agreements between one of the Contracting Parties and the investors of the other Contracting Party shall be governed, without prejudice to the provisions of this Agreement, by the terms of such agreements insofar as they contain provisions which are more favourable than those provided for in this Agreement.

2. Each of the Contracting Parties undertakes to ensure at all times that its obligations to the investors of the other Contracting Party are respected.

Article 9. Settlement of Disputes between the Contracting Parties

1. Disputes concerning the interpretation or application of this Agreement shall be settled, if possible, through diplomatic channels.

2. If the dispute is not settled within six months of its being raised by either Contracting Party, it shall be submitted, at the request of either Contracting Party, to an arbitration tribunal.

3. The said tribunal shall be constituted ad hoc. Each Contracting Party shall appoint an arbitrator within three months of the date on which one of the Contracting Parties has notified the other of its intention to submit the dispute to arbitration. Within two months of their appointment, the two arbitrators shall designate by mutual agreement a national of a third State to serve as chairman of the arbitral tribunal.

4. If the time limits laid down in paragraph 3 above have not been observed, either Contracting Party shall, in the absence of any other agreement, invite the President of the International Court of Justice to make the necessary appointments. If the President of the International Court of Justice is a national of either Contracting Party or is for any other reason prevented from exercising this function, the Vice-President of the International Court of Justice shall make the necessary appointments. If the Vice-President of the International Court of Justice is a national of either Contracting Party or if for any other reason he is prevented from exercising this function, the most senior judge of the International Court of Justice who is not a national of either Contracting Party shall make the necessary appointments.

5. The arbitral tribunal shall take its decisions by a majority vote and shall determine its own rules of procedure.

6. The tribunal shall decide on the basis of respect for the universally recognized principles of international law, the provisions of this Agreement, and national legislation.

7. The decisions of the Tribunal shall be final and binding on the Contracting Parties. It shall interpret the award at the request of either Contracting Party.

8. Unless the Tribunal provides otherwise, having regard to special circumstances, the costs of the arbitration proceedings, including the fees of the arbitrators, shall be shared equally by the Contracting Parties.

Article 10. Settlement of Disputes between an Investor and a Contracting Party

1. Any investment dispute between one of the Contracting Parties and an investor of the other Contracting Party shall be settled amicably between the two parties concerned, and failing that, by conciliation through diplomatic channels.

2. If the dispute has not been settled within six months from the time it was raised by either party to the dispute, it shall be submitted, at the option of the investor party to the dispute :

- to the competent national court of the contracting party in whose territory the investment, which is the subject of the dispute, was made; or

- to arbitration by the International Centre for Settlement of Investment Disputes (ICSID), established by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, signed in Washington on March 18, 1965, when each State party to this Agreement is a party to the said Convention.

As long as this condition is not fulfilled, each of the contracting parties agrees that the dispute shall be submitted to arbitration in accordance with the rules of the ICSID Additional Facility;

- to arbitration by an ad hoc tribunal established under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).

The choice thus made is irrevocable.

3. The arbitral tribunal shall decide the dispute on the basis of the domestic law of the Contracting Party to the dispute in whose territory the investment is located, including the rules relating to conflict of laws, as well as on the basis of the provisions of this Agreement, the terms of any special agreement entered into with respect to the investment and the principles of international law.

4. Arbitration awards shall be final and binding on the parties to the dispute. Each Contracting Party undertakes to enforce the awards, without delay, in accordance with its national legislation.

Article 11. Special Provisions

This Agreement shall also apply to investments made before its entry into force by investors of one of the Contracting Parties in the territory of the other Contracting Party in accordance with the laws and regulations of the latter.

However, this Agreement shall not apply to disputes arising before its entry into force.

Article 12. Final Provisions

1. Each Party shall notify the other of the completion of the internal procedures required for the entry into force of this Agreement, which shall take effect thirty days after the date of receipt of the last notification.

The Agreement shall be concluded for an initial period of ten years. Unless one of the Contracting Parties denounces it at least twelve months before the expiry of its period of validity, it shall be tacitly renewed for a period of ten years, each Contracting Party reserving the right to denounce it by means of a notification submitted at least twelve months before the expiry date of the current period of validity.

2. With respect to investments made prior to the date of expiry of this Agreement, the provisions of Articles 1 to 11 shall continue to apply to them for a period of ten years from the date of expiry.

DONE in duplicate at Beirut this 20th day of February in the year 2001 in the French language, each being equally authentic.

For the Government of the Lebanese Republic

Fuad Siniora

Minister of Finance

For the Government of the Gabonese Republic

Jean-François Ndoungo

Minister Delegate to the Minister of Economy, Finance, Budget and Privatization, in charge of Privatization