AGREEMENT BETWEEN THE ARAB REPUBLIC OF EGYPT AND THE REPUBLIC OF UZBEKISTAN ON THE ENCOURAGEMENT AND PROTECTION OF INVESTMENTS

The Government of the Arab Republic of Egypt and the Government of the Republic of Uzbekistan (hereinafter referred ti as the Parties),

Desiring to consolidate friendly ties, strengthen economic cooperation and create favourable conditions for encouragement and protection of investments in both countries on the basis of mutual interests,

have agreed on the following:

Article 1.

For the purpose of the present Agreement the two Parties shall strengthen and deepen cooperation in economic and technical fields and by all means encourage and protect investments.

Article 2.

The technical cooperation between the two parties shall include all the technical and technological spheres, whether with respect to existing technologies, or with impact to introduction of advanced technologies through training and preparing technical administrative qualified personnel, rendering assistance, exchange of patents, intellectual rights, experts, including any other sphere that shall be agreed upon.

Article 3.

Each Party shall create favourable conditions for the other Party, and for any natural or juridical persons enjoying the nationality of this Party, to invest in his country in the fields specified and in accordance with systems and laws in force.

Article 4.

A - Investments and returns of investments, whether established or to be established under the present agreement or established by any Party or natural or juridical persons enjoying the nationality of this Party, shall be accorded treatment not less favourable than that accorded to investments and returns of investments of either party. This treatment includes also all the matters related to administration, maintenance, exploitation, acquisition or alienation of these investment. Investments and related activities, and their returns shall enjoy all the encouragement and protection in accordance with the investment encouragement laws in force in host country and according to international agreements in force therein.

B - Investments and returns of investments set forth in paragraph (A) shall enjoy appropriate facillities, incentives and other encouragement instruments including tax exemption according to the laws in force in the host country.

C - The two Parties, according to the laws and rules in force in the host country, shall allow the transfer of:

1) Net profits - dividends - rents - remuneration - technical and managerial services charges, interests and other returns due to any investments.

2) Funds resulting from dull or partial liquidation.

3) Repayment of foreign loans that were transferred for investments established under provisions of the present Agreement.

4) Share of wages and salaries paid to personnel working in investment related activities.

Article 5.

Nationalization and Expropriation

1) Investments of either party, or any of its natural or juridical persons shall not be subject to any measures limiting the right of ownership, possession, management or benefits of these investments, whether permanently or temporarily, save with the specific provisions of laws in force or by the order issued by the competent court.

1/2) Investments of either Party or of any of its natural or juridicial persons shall not be directly or indirectly nationalized, expropriated or subjected to the measures having effect equivalent to nationalization or expropriation except for a public purpose of national interest to that state for prompt, adequate and fair compensation and condition that such measures are taken on non-discriminatory basis and in accordance with law.

1/3) Such compensation shall be computed on the basis of fair market value of the investment immediately upon declaring decision of nationalization or expropriation or upon publication of this decision. This value shall be determined according to recognized principles of market value determination. Where the market value cannot be determined immediately the compensation shall be determined on equitable principles, taking into consideration - inter - alia - invested capital, depreciation, capital already repatriated, replacement value, good will and other relevant factors (amount of compensation shall include interests at LIBOR rates from date of nationalization to date of repayment). In case no agreement in reached between investors and host state, reference shall be made to procedures of investment disputes settlement set forth in Article 7 of the present Agreement. Should the amount of compensation be determined, it shall be promptly paid and allowed to be repatriated.

1/4) In case either of the two Parties nationalizes or expropriates the investments of juridicial persons, which are established or licensed according to the law in force on its territory, and in which the other Party owns shares, bonds or any other rights and interests the host state shall ensure that the other party shall receive prompt, adequate and fair compensation and shall allow the repatriation of this compensation. Such compensation shall be determined on the basis of recognized principles of valuation of market value shares, immediately upon declaration of nationalization, expropriation or publication of thereof (the amount of compensation includes interests at LIBOR rate from date of nationalization or expropriation up to date of repayment).

2) Provisions of paragraph (1) of the present Article shall be applied to current income of investment as well as, in the event of liquidation, to proceeds of liquidation.

Article 6.

For the purpose of the present Agreement, exchange rates are determined according to the official current exchange rates, in accordance with the laws and regulations of the two Parties.

Article 7.

Should any disputes arise with respect to interpretation or application of the present Agreement and cannot be settled through direct negotiations, it shall be settled, upon request of either Party, through International Arbitration as the first resort. Instead of arbitration, the two Parties shall reserve the right to appeal to national courts of the host country.

Article 8.

The two Parties shall facilitate the residence, work, employment and conduction of economic or vocational activity for nationals of the other Party in accordance with laws in force in the host country.

Article 9.

To achieve objective of the present Agreement, it is considered necessary to examine the issue of establishing a joint commission for encouraging and protecting investment.

Article 10.

Conclusion of this Agreement shall not result in prejudice to any bilateral or multilateral agreements or arrangements of which either Party is a member.

Article 11.

The present agreement shall enter into force upon exchange of instruments of ratification.

Article 12.

This Agreement shall remain in force for a period of five years from date of coming into force and it shall be renewed for another similar period or periods unless either party notifies the other Party in writing of its desire to terminate this Agreement at least six months before its expiration.

In witness whereof the undersigned duly authorized thereto by their respective Governments, have signed this Agreement in Cairo dated 16/12/1992 in two original copies in Uzbek, Arabic and English languages, all texts being equally authentic.

In case of divergencies, the English text will prevail.

For the Government of the Arab Republic of Egypt

Dr. Maurice Makramalla

Minister of State for International Cooperation

For the Government of the Republic of Uzbekistan

Utkur Soltanov

Deputy Prime Minister and Minister of External Economic Relations