

**AGREEMENT ON CARGO
AND PASSENGER TRANSPORT
ON THE LANCANG—MEKONG RIVER
BETWEEN THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF CHINA
AND THE GOVERNMENT OF
THE LAO PEOPLE'S DEMOCRATIC
REPUBLIC**

The Government of the People's Republic of China and the Government of the Lao People's Democratic Republic (hereafter referred to as "the Contracting Parties"),

aiming at the development of the traditional friendly relations and unity between the two countries in the light of the principle of equality and mutual benefit,

have agreed on the bilateral passenger and cargo transport between the two countries on the Lancang—Mekong River as follows:

Article 1

In the present Agreement:

1. The term “vessel” shall mean any merchant vessel flying the national flag of either Contracting Party and legally registered in its territory permitted to engage in international shipping activities.

2. The term “crew member” shall mean captain, chief engineer, sailor or any other person actually employed on board a vessel, and holding due identity documents as specified in Article 6 of the present Agreement and whose name is included in the crew list of the vessel.

3. The term “passenger” shall mean any person carried in the voyage on board a vessel of either Contracting Party, who is holding a valid passport with proper visa or border-pass and whose name is included in the passenger list of the vessel.

4. The term “cargo” shall mean any goods carried by a vessel of either Contracting Party and included in the bill of lading of the vessel in accordance with international common practice.

Article 2

1. Vessels of either Contracting Party may sail between or berth at ports of both Parties which are open to each other for the purpose of engaging in passenger and cargo transport on the Lancang—Mekong River. At present, the Chinese side shall open the Guanlei terminal, Jinghong terminal, Menghan terminal (all belonging to the Jinghong Port) and the Simao terminal (belonging to the Simao Port); the Lao side shall open Ban Sai terminal, Xiengkok terminal, Mauangmom terminal (all belonging to the Luangnamtha Province), Houaysai terminal (belonging to the Bokeo Province) and Luangprabang.

Under the approval of the competent authority of transport and communications of the other Contracting Party the vessel of the Chinese side may sail downstream over Luanprabang, and the vessel of the Lao side may sail upstream over Simao.

2. In keeping with the need of foreign trade and tourism development of both Contracting Parties, the two sides may gradually open more ports to each other.

Article 3

The Contracting Parties shall mutually grant to each other the preferential treatment with regard to formalities in vessel entry and departure, customs clearance, arrangements for cargo loading/unloading, utilization of warehouses and other production and service facilities, the levying of port dues and other charges, as well as in providing bunker oil or coal, drinking water, consumption goods and other daily necessities.

Article 4

Vessels of one Contracting Party shall abide by laws, regulations and stipulations, including those of environment protection and ecology balance, etc. , of the other Contracting Party when sailing on the territorial waters or berthing at ports of the latter.

Article 5

The relevant competent authorities of neither

Contracting Party shall interfere with the internal affairs of vessels of the other Contracting Party, except:

1. the vessel's or the crew's or the passenger's actions affect the national security or social order of the other Contracting Party;
2. smuggling action, such as carrying narcotic drugs, arms, or other illicit behaviors prohibited by the other Contracting Party;
3. measures required by the competent authority or the captain of the vessel of the other Contracting Party.

Article 6

Either Contracting Party shall recognize the crew member's identity documents duly issued by the other Contracting Party:

—for the Chinese side: the Seamen's Book of the People's Republic of China;

—for the Lao side: Seamen's Book of the Lao People's Democratic Republic.

Article 7

Either Contracting Party shall recognize the nationality certificate and other relevant documents of the vessel as well as the tonnage certificate duly issued by the other Contracting Party to its vessels. The tonnage of vessels of either Contracting Party need not to be re-measured.

Article 8

Crew members of either Contracting Party holding the identity documents as specified in Article 6 of the present Agreement shall be permitted a temporary stay ashore in the city or town where the port is located during their vessel's stay in the port of the other Contracting Party, and those requiring medical treatment shall be allowed to go ashore and remain in hospital. The crew members in question shall abide by the laws and regulations of that Contracting Party.

Article 9

Any person of either Contracting Party holding the seamen's identity document as specified in Article 6 of the present Agreement shall be permitted without visa to travel within and pass through the territory of the other Contracting Party to return to home country by any means of transport in case of the vessel's breakdown, the crew member's illness or any other emergencies.

Article 10

Where vessels of either Contracting Party cannot perform the normal navigation in the territorial waters of the other Contracting Party because of striking upon rocks, running aground, heaving or tracking or passing through the rapids, the other Contracting Party shall allow the crew members and passengers on board to go ashore and travel through the reaches where normal navigation cannot be performed.

Article 11

1. Should a vessel of either Contracting Party be involved in any danger or casualty in the territorial waters of the other Contracting Party, the competent authorities concerned of the latter shall extend every possible assistance to the vessel and immediately notify the competent authority or the embassy or consulate of the former.

2. Where the cargo rescued from the vessel in danger or in casualty needs to be temporarily stored in the territory of the other Contracting Party, it shall be exempted from all taxes by this Contracting Party, unless it is used or sold in its territory. However, the owner of the vessel shall pay the salvage and storage charges.

3. The crew members and passengers in distress shall closely abide by the laws and regulations of the other Contracting Party when waiting ashore for returning to home country in the territory thereof. The local authorities thereof shall, in accordance with relevant national laws and regulations and the international common practice, take measures needed for facili-

tating repatriation of the distressed people in time.

Article 12

The vessels of both Contracting Parties shall make appropriate insurance. Items to be insured shall be decided through consultations by the competent authorities of both sides.

Article 13

1. Income and profit derived from the international shipping operation by the shipping enterprises of either Contracting Party shall only be subject to taxation to the Contracting Party to which they belong.

2. If the staff member(s) of the permanent representative office(s) of either Contracting Party in the territory of the other Contracting Party is (are) national(s) of the former, the wages, salaries and other income shall only be subject to taxation to the former.

3. In accordance with the shipping laws and regulations of both countries, the transit vessels and cargoes shall be exempted from taxes and duties as stipulated by the tax systems of the transit country, with

the exception of the service charges which require payment as specified in Article 3 of the present Agreement.

Article 14

Shipping enterprises of either Contracting Party may establish representative offices in the territory of the other Contracting Party, if these are done in conformity with the relevant laws and regulations of the latter and duly approved by the competent departments of the government thereof.

Article 15

The competent authorities of both Contracting Parties for implementing the present Agreement are:

1. for the Chinese side: Ministry of Communications of the People's Republic of China;
2. for the Lao side: Ministry of Communication, Transport, Post and Construction of the Lao People's Democratic Republic.

Article 16

Should problems or disputes arise in the interpretation and the implementation of the present Agreement, the same shall be settled through negotiations and consultations between both Contracting Parties.

Article 17

The present Agreement shall enter into force on the date of signature and shall remain in force for a period of five years. The validity thereof shall be automatically extended for successive periods of five years if no notice of termination in writing is given by either Contracting Party to the other three months prior to the date of expiry.

Article 18

Should either Contracting Party wish to make any amendment or supplement to the present Agreement, a notice in writing shall be given three months in advance to the other Contracting Party. The amendment

or supplement shall only be done by mutual consent through consultation between both Contracting Parties.

Done at Vientiane on the date of 9 of November, 1994, in duplicate, in the Chinese, Laotian and English languages, the three texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

For the Government of
the People's Republic
of China

黄镇东

For the Government of
the Lao People's
Democratic Republic

