

PROTOCOL  
OF THE FIRST SESSION OF THE SWISS-IRANIAN  
JOINT MINISTERIAL COMMISSION FOR  
ECONOMIC COOPERATION

The First Session of Swiss-Iranian Joint Ministerial Commission for Economic Cooperation was held in Tehran from July 10 to 13, 1977.

The Swiss Delegation was led by H. E. Ernst Brugger, Federal Councilor, Head of the Federal Ministry of Public Economy, and the Iranian Delegation was headed by H. E. Hushang Ansary, Minister of Economic Affairs and Finance.

The members of the two Delegations are listed in Annexes I and II of this Protocol.

The Commission undertook a review of trade and economic relations between Switzerland and Iran. The two Parties concurred in the view that the wide-ranging correspondence of interests, economic capabilities and potentials of the two countries formed a sound basis for the expansion and strengthening of these relations. In this context they expressed their determination to fully utilize the comparative advantages of both countries and to embark on a program for the development of economic cooperation to their mutual benefit.

TRADE

The Commission examined the performance of trade between the two countries. Both Parties were of the opinion that the turnover of trade although significantly increased in the past decade did not adequately reflect the considerable potentialities of the two economies. With this in mind, the two Parties agreed to conclude a Trade Agreement in the near future in order to facilitate the expansion and diversification of trade between the two countries.

The Commission took note of Switzerland's interest in increasing its exports including textiles, chemical products and watches, and its readiness

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to promote imports of Iranian industrial products. In this connection, the Swiss Delegation took note with interest of the latest list of Iranian exportable goods and of the Export Directory of Iran. It will bring these documents to the attention of interested importers and trading companies in Switzerland, with the aim of contributing to an expansion and diversification of Iranian exports. To this end, an Iranian Trade Delegation will shortly visit Switzerland to study the Swiss market and to discuss the ways and means of cooperation in the achievement of the above objectives.

The Commission expressed concern over the decline in export of Iranian carpets to Switzerland and recommended that a delegation of Swiss importers visit Iran to discuss with the competent authorities measures to improve the present situation. In this connection, it further recommended that both Parties study the possibility of creating a bilateral legal instrument to avoid the use of false indications of origin with regard to goods traded between the two countries.

### TRANSPORTATION

The Commission agreed that to further facilitate the flow of goods between the two countries, an Agreement on International Road Transport shall be concluded between the two countries.

The competent representatives of the two Parties shall meet in mid-October in Switzerland to implement this decision.

### INDUSTRY

The Commission discussed cooperation in the field of industry and noted that there were vast opportunities for further expansion and development of joint activities in this area. It reviewed different projects of interest to both sides and made the following decisions and observations:

#### 1. Petrochemicals

The Commission took note of the discussions between Swiss and Iranian enterprises concerning the establishment of a petrochemical complex in Iran on a joint-venture basis,

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involving an investment of the order of \$3 billion in its ultimate phase. The complex is intended to produce a broad range of petrochemical products including basic materials, intermediates, synthetic fibres and resins.

The Commission agreed that the experts of the two sides shall meet in Tehran at an early date to discuss the details of this project.

2. Chemicals and pharmaceuticals

The Commission observed with satisfaction the long-standing cooperation between the two sides with regard to the production of chemical and pharmaceutical products. The two sides agreed to actively encourage their respective enterprises to promote cooperation in this area .

3. Electro-mechanical equipment

The Commission welcomed the readiness of a Swiss enterprise to establish an electro-mechanical industrial complex in Iran on a joint-venture basis. The complex will be designed to manufacture equipment, components and spare parts for power generation, distribution, and application to meet the Iranian requirements as well as for joint export to other countries.

Experts of the two sides shall meet in Tehran to discuss the implementation of the project.

4. Other Industrial Projects

The Commission considered other industrial projects as possible areas of cooperation for the manufacturing of, inter alia, the following items in Iran:

- railway equipment such as bogies, passenger coaches, automatic couplers. In this connection the readiness of Swiss firms to deliver railway equipment was noted.
- equipment for pump storage facilities
- refractory bricks
- textiles.

The Commission agreed that with regard to the above-mentioned projects, experts from the parties concerned on both sides shall meet in Tehran as soon as possible to discuss details of cooperation.

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CONSTRUCTION

The Swiss Party declared the interest of specialized Swiss firms in participating in construction programs in Iran in the fields of industry, infrastructure as well as housing and other projects to meet the Iranian requirements in these areas. It was agreed that specific proposals be submitted by qualified Swiss firms for study by the competent authorities in Iran.

PLANNING , ENGINEERING AND CONSULTING SERVICES

The Swiss side expressed its interest in providing and entering into joint projects with respect to planning, engineering and consulting services as well as transfer of technology in various fields including the following:

- Water supply, distribution and treatment;
- Power generation and transmission;
- Harnessing and application of solar energy;
- Construction.

The Iranian Party explained the rules and regulations in this regard and pointed to the requirement for the foreign companies concerned to form partnership<sup>s</sup> with the relevant Iranian firms.

The Commission took note that discussions were underway between Iranian and Swiss firms concerning the transfer of technology in the field of foundry engineering.

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AGRICULTURE

The Commission noted with satisfaction the efforts being made by Iran and Switzerland for the expansion of cooperation in the field of agricultural production and processing. It reviewed projects under negotiation or in the course of implementation by the two sides and considered the following as potential areas for cooperation:

- cattle breeding
- joint-ventures for milk and dairy production
- cold storage
- feed mills
- food processing and fruit juice plants
- forestry (reforestation)
- irrigation and land development
- pesticides and insecticides
- silos and other related structures
- seed treatment plants.

The two Parties expressed their willingness to establish joint-ventures in the above-mentioned areas including the manufacturing of equipment as well as construction and operation of plants in Iran. In this context the two sides agreed to encourage their relevant private sectors to form such joint-ventures.

The Commission noted the progress made with regard to the joint-venture between Iran and a Swiss food manufacturing firm for the production of dairy products and expressed the hope that similar projects would be embarked upon by the two sides.

TOURISM

The Commission noted that tourism offers considerable scope and potential for cooperation between the two countries. In this context particular emphasis was laid on cooperation in the creation of touristic complexes, hotel management and personnel training at all levels as well as on joint investment in relevant projects. The Commission agreed that the two sides shall contact each other with a view to initiating cooperation in this area.

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### VOCATIONAL TRAINING

The Commission agreed that there was a large scope for cooperation between Iran and the Swiss institutions for vocational training in the establishment and teaching activities of vocational schools in Iran as well as training of Iranian technical students in Switzerland. The Commission further agreed that this matter be examined by the two sides on a priority basis.

The Commission took note that the proposal made by the Swiss Watch Industry to set up a professional horological training center in Tehran was under study by the Iranian Party.

### INVESTMENT

The two Parties agreed that there was considerable room for cooperation in joint investments in Switzerland in fields of mutual interest. Noting the declared policy of the Government of Iran not to seek controlling interest in foreign entities, the Swiss Party announced its readiness to cooperate with Iran in this respect.

### DOUBLE TAXATION

The two Parties agreed to have their representatives meet in order to discuss the possibility of the conclusion of an agreement on the avoidance of double taxation. To this end, it was decided that experts of the two countries shall meet in Tehran within six months of the signing of this Protocol.

### SOCIAL INSURANCE

The Swiss Party proposed that the possibility of reaching an understanding in the field of social insurance be considered by Iran.

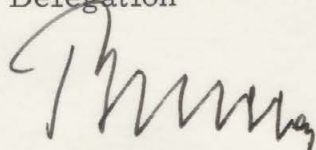
The Commission agreed that the experts of the two countries shall meet in Tehran within six months of the signing of this Protocol to discuss this matter.

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The Commission agreed that its Second Session shall be held in Bern during 1978.

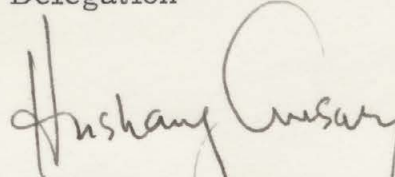
Done in Tehran on July 13, 1977, in two originals in the English Language, both being equally authentic.

Head of the Swiss  
Delegation



Ernst Brugger  
Federal Councilor,  
Head of the  
Federal Ministry of  
Public Economy

Head of the Iranian  
Delegation



Hushang Ansary  
Minister of Economic  
Affairs and Finance

ANNEX I.SWISS DELEGATION

- H. E. Mr. Ernst Brugger  
Federal Councilor,  
Head of the Federal Ministry of  
Public Economy
- H. E. Mr. Charles-Albert Wetterwald  
Ambassador Extraordinary and  
Plenipotentiary to the Imperial Court
- H. E. Mr. Peter Bettschart  
Ambassador,  
Delegate for Trade Agreements  
Department of Foreign Trade,  
Federal Ministry of Public Economy
- Mr. Hermann Hofer  
Vice-Director,  
Department of Foreign Trade,  
Federal Ministry of Public Economy
- Mr. Benedikt Von Tscharner  
Minister Plenipotentiary,  
Department of Foreign Trade,  
Federal Ministry of Public Economy
- Mr. Kurt Schaerer  
Desk Officer for Iran,  
Department of Foreign Trade,  
Federal Ministry of Public Economy
- Mr. Luk E. Keller  
Vice-President of the  
Swiss Federation of Commerce and Industry
- Mr. Paul Veyrassat  
Secretary of the Swiss Federation of  
Commerce and Industry
- Mr. Mario Ludwig  
General Manager of the Swiss Office  
for the Development of Trade
- Mr. Marcus Kaiser  
Second Secretary,  
Embassy of Switzerland



ANNEX II.IRANIAN DELEGATION

- H. E. Mr. Hushang Ansary  
Minister of Economic Affairs  
and Finance
- H. E. Mr. Mohammed-Hadi Ghavamian  
Vice-Minister of the Ministry of  
Agriculture and Natural Resources
- H. E. Mr. Jahangir Mahdemina  
Vice-Minister for Power,  
Ministry of Energy
- Mr. Bijan Nozari  
Senior Advisor to the Minister of  
Economic Affairs and Finance
- Mr. Ahmad Ghaffari  
Director, Economic Affairs  
Department,  
Ministry of Foreign Affairs
- Mr. Khosrow Fazel  
Director General for Foreign Trade,  
Ministry of Commerce
- Mr. Nader Khorzad  
Deputy Managing Director,  
Industrial Development and  
Renovation Organization
- Mrs. Nakhostin Salary  
Deputy Director General,  
Ministry of Industry and Mines
- Mrs. Nasrin Sadri  
Expert-in-Charge for Economic  
Cooperation (Western Europe),  
Ministry of Economic Affairs  
and Finance