

AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
AND
THE GOVERNMENT OF THE PEOPLE'S DEMOCRATIC
REPUBLIC OF ALGERIA
CONCERNING
THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Indonesia and the Government of the People's Democratic Republic of Algeria (hereinafter referred to as "Contracting Parties"):

Bearing in mind the friendly and cooperative relations existing between the two countries and their peoples:

Intending to create favourable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party on the basis of sovereign equality and mutual benefit; and

Recognizing that the Agreement on the promotion and protection of such investments will be conducive to the stimulation of investment activities both countries:

HAVE AGREED AS FOLLOWS :

ARTICLE I
DEFINITIONS

For the purpose of this Agreement :

1. The term "investments" shall mean any kind of asset invested by investors of one Contracting Party in the territory of the other Contracting Party, in conformity with the laws and regulations of the latter, including, but not exclusively :

- a. movables and immovable property as well as other rights such as mortgages, privilege, pledges, guarantees and any other similar rights;
- b. shares, bonds or any other form of interest in companies or joint ventures in the territory of the other Contracting Party;
- c. claims to money or to any performance having a financial value;
- d. industrial and intellectual property rights, industrial designs, trademarks, technical processes goodwill and know how;
- e. business concessions conferred by law or under contract related to investment including concessions to search for or exploit natural resources.

Any change in the form in which assets are invested or reinvested shall not affect their character as an investment.

2. The term "national" shall mean with regard to either Contracting Party:
 - (i) natural person having the nationality of that Contracting Party;
 - (ii) legal person constituted under the law of that Contracting Party;
3. The term "investor" means national of one Contracting Party who invest in the territory of the other Contracting Party.
4. The term "without delay" shall be deemed to be fulfilled if a transfer is made within such period as is normally required by international financial practices.
5. "Territory" shall mean :
 - a. In respect of the Republic of Indonesia :
The territory of the Republic of Indonesia as defined in its laws.
 - b. In respect of the People's Democratic Republic of Algeria:
The territory of the People's Democratic Republic of Algeria as defined in its laws:

ARTICLE II
PROMOTION AND PROTECTION OF INVESTMENT

1. Either Contracting Party shall encourage and create favourable conditions for investors of the other Contracting Party to invest capital in its territory, and shall admit such capital in accordance with its laws and regulations.
2. Investments of investors of either Contracting Party shall at all times be accorded fair and equitable treatment and shall enjoy adequate protection and security in the territory of the other Contracting Party.

ARTICLE III
MOST-FAVOURLED-NATION PROVISIONS

1. Each Contracting Party shall ensure fair and equitable treatment of the investments of investors of the other Contracting Party and shall not impair, by unreasonable or discriminatory measures, the operation, management, maintenance, use, enjoyment or disposal thereof by those investors. Each Contracting party shall accord to such investments adequate physical security and protection.
2. More particularly, each Contracting Party shall accord to such investments treatment which in any case shall not be less favourable than that accorded to investments of investors of any third State.
3. If a Contracting Party has accorded special advantages to investors of any third State by virtue of agreements establishing customs unions, economic unions, monetary unions or similar institutions, or on the basis of interim agreements leading to such unions of institutions, that Contracting Party shall not be obliged to accord such advantages to investors of the other Contracting Party.

ARTICLE IV EXPROPRIATION

Each Contracting Party shall not take any measures of expropriation, nationalization or any other dispossession, having effect equivalent to nationalization or expropriation against the investments of an investor of the other Contracting Party except under the following conditions :

- (a) the measures are taken for a lawful purpose or public purpose and under process of law;
- (b) the measures are non discriminatory;
- (c) the measures are accompanied by provisions for the payment of prompt, adequate and effective compensation. Such compensation shall amount to the fair market value of the investment expropriated immediately before the measure of dispossession became public knowledge. Such market value shall be determined in accordance with internationally acknowledged practices and methods or, where such fair market value cannot be determined, it shall be such reasonable amount as may be mutually agreed between the Contracting Parties hereto, and it shall be freely transferable in usable currencies from the Contracting Party.

ARTICLE V COMPENSATION FOR LOSSES

Investors of one Contracting Party, whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection or riot in the territory of the latter Contracting Party, shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, no less favourable than that which the latter Contracting Party accords to investors of any third state.

ARTICLE VI TRANSFERS

1. Either Contracting Party shall guarantee within the scope of its laws and regulations in respect to investments by investors of the other Contracting Party grant to those investors without delay, the free transfer of:
 - a. profits, interests, dividends and other current income;
 - b. funds necessary
 - (i) for the acquisition of raw or auxiliary materials, semi fabricated or finished products, or
 - (ii) to replace capital assets in order to safeguard the continuity of an investment;
 - c. additional funds necessary for the development of an investment;
 - d. funds in repayment of loans;
 - e. royalties or fees;
 - f. earnings of natural persons employed or allowed to work in connection with an investment;
 - g. the proceeds of sale or liquidation of the investment;
 - h. compensations pursuant to Article IV and V of this Agreement.
2. Such transfer shall be made at the prevailing rate of exchange on the date of transfer with respect to current transaction in the currency to be transferred.

ARTICLE VII SUBROGATION

If the investments of an investor the one Contracting Party are insured against non-commercial risks under a system established by law, any subrogation of the insurer or re-insurer to the rights of the said investor pursuant to the terms of such insurance shall be recognized by the other Contracting Party, provided, however, that the insurer or the re-insurer shall not be entitled to exercise any rights other than the rights which the investor would have been entitled to exercise.

ARTICLE VIII SETTLEMENT OF DISPUTES BETWEEN INVESTORS AND THE CONTRACTING PARTY

1. Any dispute between a Contracting Party and investor of the other Contracting Party, concerning an investment of the latter in the territory of the former shall as far as possible, be settled amicably through consultations and negotiations.
2. If such a dispute cannot be settled within a period of six months from the date of a written notification by which either party requested amicable settlement, the dispute shall, at the request of the investor concerned, be submitted either to the judicial procedures provided by the Contracting Party concerned or to international arbitration or conciliation.
3. In case of resort to international arbitration or conciliation, each Contracting Party hereby consents to submit any dispute arising between that Contracting Party and an investor of the other Contracting Party concerning an investment of that investor in the territory of the former Contracting Party to the International Center for Settlement of Investment Disputes (ICSID) for settlement by conciliation or arbitration under the Convention on the Settlement of Investment Disputes between States and Nationals of other States opened for signature at Washington D.C., on 18 March 1965.

ARTICLE IX
SETTLEMENT OF DISPUTES BETWEEN THE CONTRACTING PARTIES
CONCERNING INTERPRETATION AND APPLICATION OF THE
AGREEMENT

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall, if possible, be settled through consultations or diplomatic channels.
2. If a dispute between the Contracting Parties cannot thus be settled within six (06) months, it shall upon the request of either Contracting Party be submitted to an arbitral tribunal.
3. Such an arbitration tribunal shall be constituted for each individual case in the following way: Within two (02) months of the receipt of the request for the arbitration, each Contracting Party shall appoint one member of the tribunal. The Two members shall then select a national of a third State, who on approval by the two Contracting Parties, shall be appointed Chairman of the tribunal. The Chairman shall be appointed within two (02) months from the date of appointment of the other two members.
4. If within the period specified in paragraph 3 of this Article, the necessary appointments have not been made, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to make the necessary appointments. If the President is a national of either Contracting Party or if he is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the necessary appointments. If the Vice-President is a national of either Contracting Party or if he too is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either Contracting Party shall be invited to make the necessary appointments.
5. The arbitral tribunal shall reach its decision by majority of votes. Such decision shall be binding on both Contracting Parties. Each Contracting Party shall bear the costs of its own member of the tribunal and its representation in the arbitral proceedings; the cost of the Chairman and the remaining costs shall be borne in equal parts by the Contracting Parties. The tribunal shall determine its own procedure in all other respects.

6. The arbitral tribunal shall reach its decision on the basis of this Agreement and international law and shall take into account, as may be appropriate, the domestic law of the Contracting Party in which the investment in the question is situated.

ARTICLE X APPLICABILITY OF THIS AGREEMENT

1. This Agreement shall apply to investments made by investors of both Contracting Parties which have been previously granted admission in accordance with the laws and regulations concerning Foreign Investment and any laws and regulations amending or replacing it.
2. This Agreement shall apply to all investments, whether made before or after the date of entry into force of this Agreement, but the provisions of this Agreement shall not apply to any dispute, claim or difference which arose before its entry into force.

ARTICLE XI APPLICATIONS OF OTHER PROVISIONS

If the provisions of law of either Contracting Party or obligations under international law existing at present or established hereafter between the Contracting Parties in addition to the present Agreement contain a regulation, whether general or specific, entitling investments by investors of the other Contracting Party to a treatment more favourable than is provided for by the present Agreement, such regulation shall to the extent that it is more favourable prevail over the present Agreement.

**ARTICLE XII
CONSULTATION AND AMENDMENT**

1. Either Contracting Party may request that consultations be held on any matter concerning this Agreement. The other Party shall accord sympathetic consideration to the proposal and shall afford adequate opportunity for such consultations.
2. This Agreement may be amended at any time, if it deems necessary, by mutual consent.

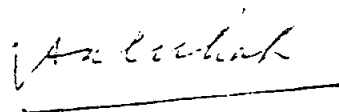
**ARTICLE XIII
ENTRY INTO FORCE, DURATION AND TERMINATION**

1. The present Agreement shall enter into force three (03) months after the date of the latest notification by any Contracting Party of the accomplishment of its internal procedures of ratification. It shall remain in force for a period of ten (10) years and shall continue in force thereafter for another period of ten (10) years and so forth unless denounced in writing by either Contracting Party one (01) year before its expiration.
2. In respect of investments made prior to the date of termination of this Agreement becomes effective, the provisions of Article I to XII shall remain in force for further period of ten (10) years from the date of termination of the present Agreement.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Governments, have signed this Agreement.

Done in duplicate at Algiers on March 21, 2000 in Indonesian, Arabic and English languages. All texts are equally authentic. If there is any divergence concerning the interpretation, the English text shall prevail.

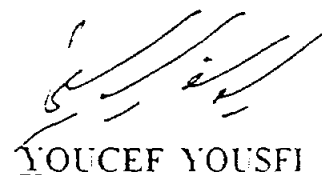
FOR THE GOVERNMENT OF
THE REPUBLIC OF INDONESIA



ALWI SHIHAB

Minister for Foreign Affairs

FOR THE GOVERNMENT OF
THE PEOPLE'S DEMOCRATIC
REPUBLIC OF ALGERIA



YOUCEF YOUSFI

Minister of Foreign Affairs