

**AGREEMENT¹ BETWEEN THE GOVERNMENT OF
INDIA AND THE GOVERNMENT OF THE
REPUBLIC OF PORTUGAL ON TRADE,
ECONOMIC, INDUSTRIAL AND
TECHNICAL COOPERATION**
Lisbon, 7 April 1977

The Government of INDIA

AND

The Government of PORTUGAL,

LED by the desire to encourage and facilitate the development of trade and of economic, industrial and technical co-operation between the two countries on the basis of equality and mutual benefit,

HAVE AGREED as follows :

Article I

The Contracting Parties shall contribute within the framework of the existing laws and regulations in the two countries to a harmonious and substantial increase, particularly on a long-term basis, of the volume of trade and to the expansion of economic, industrial and technical co-operation, in order to obtain the maximum use of the possibilities resulting from their economic development.

Article II

The Contracting Parties agree to grant each other the most-favoured-nation treatment in all matters relating to trade between the two countries in accordance with the provisions of the General Agreement on Tariffs and Trade (GATT).

Article III

The provisions of Article I and II above shall not, however, apply to the grant or continuance of any,

1. Came into force on 14 July 1977.

- (a) advantages, accorded by either Party to contiguous countries for the purpose of facilitating frontier traffic;
- (b) preferences, or advantages, accorded by either Party to any country, as existing on the date of the conclusion of the present Agreement or those accorded in replacement of such preferences or advantages that existed prior to the 10th April, 1947;
- (c) advantages or preferences accorded under any scheme for expansion of trade and economic co-operation among developing countries which is open for participation by developing countries and to which either Government is or may become a Party;
- (d) advantages and preferences resulting from a customs union and/or free-trade area of which either country is or may become a Party.

Article IV

The Contracting Parties, in accordance with the objectives and requirements of their economic development, shall encourage and facilitate the conclusion and implementation of contracts and programmes for long-term trade and economic, industrial and technical co-operation between concerned enterprises and organisations of both countries and shall provide all possible facilities for the realisation of projects of mutual interest.

Both Contracting Parties shall, subject to their respective import, export, foreign exchange and other regulations in force from time to time, give maximum possible facilities and take all possible measures to promote trade between the two countries generally and in particular with regard to the commodities mentioned in the attached schedules (Annexure 'I' and 'II' of this Agreement). To this end, the two Contracting Parties shall periodically review the schedules and give wide publicity to the items available for export from either country.

These schedules are indicative in nature and shall not be construed as excluding goods and commodities not enumerated therein.

Article V

The Contracting Parties shall :

- (a) facilitate visits of commercial delegations as well as technical delegations in each other's country for trade purposes and in connection with the establishment of economic, Industrial

and technical co-operation between enterprises and organisations of the two countries;

- (b) encourage and promote the establishment of direct and closer contacts between the businessmen, and public and private sector enterprises and organisations of the two countries;
- (c) grant all possible facilities to businessmen and commercial enterprises to undertake commercial operations;
- (d) facilitate exchange of commercial information on a mutually beneficial basis.

Article VI

Both Contracting Parties agree to explore to the mutual advantage and within the framework of their respective laws and regulations, the possibilities of co-operation between the two countries in various fields, such as :

- (a) establishment of industrial joint ventures in India and Portugal;
- (b) supply of engineering and consultancy services plant, machinery and equipment to each other and to third countries, ;
- (c) joint execution of contracts, provision of services and establishment of joint ventures in third countries.

Article VII

The Contracting Parties shall, in compliance with their laws and regulations and under no less favourable conditions than those which are granted to third countries, permit imports and exports of :

- (a) samples and advertisement materials;
- (b) goods and articles for permanent and temporary fairs and exhibitions.

Article VIII

Both Governments agree to establish close relationship in the field of shipping.

Subject to laws and regulations in force in each country the merchant ships flying the flag of each Contracting Party shall be granted, when entering or leaving and staying in the ports of the other Contracting Party, open to foreign trade, a treatment as favourable as the treatment accorded to ships flying the flag of a third country.

However, the provisions of this Article shall not apply to coastal trade or fishing activities of any kind or to any special conditions which exist, or may exist in the future, in order to improve the National Merchant Marines of each country.

Article IX

All payments between the two countries shall be made in freely convertible currency in accordance with the laws and regulations in force from time to time in the respective countries.

Article X

To attain the aims of this Agreement, the Contracting Parties shall establish a Joint Committee, consisting of representatives of the Governments.

The Joint Committee will meet alternately in Lisbon and New Delhi at the request of either Contracting Party.

The Committee shall have the following tasks :

- to supervise and facilitate the practical implementation of the present Agreement ;
- to assist in and facilitate the development of trade and of economic, industrial and technical co-operation, as well as to make appropriate recommendations to both Governments for taking steps in this regard;
- to review periodically indicative commodity schedules annexed to this Agreement in order to promote a harmonious development of trade between the two countries.

The Committee may in its discretion invite representatives from the trade and industry of either country to participate in its meetings as and when necessary.

Article XI

The present Agreement shall come into force on the date of receipt of the second of the notes by which the Parties inform each other about its approval in accordance with their constitutional procedures. The Agreement shall remain valid for a period of two years and shall be automatically extended for periods of two years, unless either Contracting Party gives, through diplomatic channels, a written notice to the other, three months before the expiry of the respective two years period, about its desire to terminate the Agreement.

DONE at Lisbon on 7th April 1977 in duplicate in Hindi, Portugese,

and English languages. The three texts will be equally authentic. In case of doubt the English text will be taken for reference.

Sd/-

For the Government of
the Republic of India

Sd/-

For the Government of
the Republic of Portugal

ANNEXURE 'I'

LIST OF ITEMS AVAILABLE FOR EXPORT FROM INDIA

Serial No.	Description of Goods
1.	Coffee
2.	Tobacco
3.	Tea.
4.	Sugar
5.	Spices
6.	HPS Groundnuts
7.	Sea food particularly Shrimps and Sardines
8.	Coir yarn and manufactures
9.	Engineering and electrical goods
10.	Finished and semi-finished leather
11.	Iron ore
12.	Iron and steel primaries like slabs, sheets, plates and pipes.
13.	Shellac
14.	Chemicals and pharmaceuticals
15.	Gems and Jewellery

ANNEXURE 'II'

LIST OF ITEMS AVAILABLE FOR EXPORT FROM PORTUGAL

Serial No.	Description of Goods
1.	Specialised commercial explosives
2.	Chemicals and fertilizers
3.	Cork and Cork products
4.	Wood pulp and craft paper
5.	Ferro-alloys and tin plates
6.	Specialised textile machinery
7.	Lifting and materials handling equipment
8.	Engineering and electrical goods
9.	Fishing vessels
10.	Cargo ships
